

Legal & General Multi-Index Funds  
**Annual Manager's Report**  
**for the year ended 15 August 2017**

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\*These collectively comprise the Authorised Fund Manager's Report

# Legal & General Multi-Index Funds

## Authorised Status

The Scheme is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a non-UCITS Retail Scheme “Umbrella Fund” within the meaning of the FCA Collective Investment Schemes sourcebook. The Scheme currently consists of eight Sub-funds:

- Legal & General Multi-Index 3 Fund;
- Legal & General Multi-Index 4 Fund;
- Legal & General Multi-Index Income 4 Fund;
- Legal & General Multi-Index 5 Fund;
- Legal & General Multi-Index Income 5 Fund;
- Legal & General Multi-Index 6 Fund;
- Legal & General Multi-Index Income 6 Fund; and
- Legal & General Multi-Index 7 Fund.

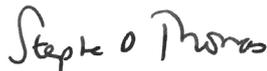
Further Sub-funds may be established in the future.

## 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  
6 October 2017

# Legal & General Multi-Index Funds

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

The Manager of the Scheme is required by the FCA Collective Investment Schemes sourcebook (COLL) to prepare financial statements for each accounting year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the Scheme property for the accounting year, and the financial position of the Scheme at the end of that year. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Scheme will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Scheme in accordance with the Trust Deed, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association (formally the IMA) in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of the Trustee's Responsibilities

The Depositary in its capacity of Trustee of the Legal & General Multi-Index Funds must ensure that the Funds are managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22 July 2014 the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Funds and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Funds in accordance with the Regulations.

The Depositary must ensure that:

- the Funds' cash flows are properly monitored and that cash of the Funds is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Funds are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Funds' assets are remitted to the Funds within the usual time limits
- the Funds' income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

# Legal & General Multi-Index Funds

## Report of the Trustee

### **Report of the Trustee to the Unitholders of the Legal & General Multi-Index Funds ("the Scheme") for the year ended 15 August 2017**

The Depositary also has a duty to take reasonable care to ensure that Funds are managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Funds.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Funds, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Funds, acting through the AIFM:

- (i) have carried out the issue, sale, redemption and cancellation, and calculation of the price of the Funds' units and the application of the Funds' income in accordance with the Regulations and the Scheme documents, and
- (ii) have observed the investment and borrowing powers and restrictions applicable to the Funds.

Northern Trust Global Services Limited  
UK Trustee and Depositary Services  
6 October 2017

# Legal & General Multi-Index Funds

## Independent Auditors' Report

### Independent auditors' report to the Unitholders of Legal & General Multi-Index Funds (the "Scheme")

#### Report on the audit of the financial statements

##### **Opinion**

In our opinion, Legal & General Multi-Index Funds' financial statements:

- give a true and fair view of the financial position of the Scheme and each of the sub-funds as at 15 August 2017 and of the net revenue and, the net capital gains on its scheme property of the Scheme and each of its' sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

Legal & General Multi-Index Funds (the "Scheme") is an umbrella Unit Trust with eight sub-funds. The financial statements of the Scheme comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Manger's Report (the "Annual Report"), which comprise: the Balance Sheets as at 15 August 2017; the Statements of Total Return, and the Statements of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the Scheme and each of its' sub-funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme's and each of its sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's and each of its' sub funds' ability to continue as a going concern.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

##### **Authorised Fund Manager's Report**

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Legal & General Multi-Index Funds

## Independent Auditors' Report continued

### Responsibilities for the financial statements and the audit

#### **Responsibilities of the Authorised Fund Manager for the financial statements**

As explained more fully in the Authorised Fund Manager's Statement of Responsibilities set out on page 4, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Scheme's and each of the sub-funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the Scheme or any of its' sub-funds, or has no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Scheme's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### **Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
6 October 2017

### Notes:

- a) The maintenance and integrity of the Legal & General website is the responsibility of the Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Legal & General Multi-Index Funds

## 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. Summary of Significant Accounting Policies

#### (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.

The principal accounting policies which have been applied consistently in the current year and preceding year are set out below.

#### (b) Functional and Presentation Currency

The functional and presentation currency of the Scheme is Sterling.

#### (c) Recognition of revenue

Bond revenue is accounted for on an effective yield basis, calculated with reference to the purchase price. If the Manager believes that future commitments will not be met due to the bond issuer showing signs of financial distress, revenue accruals will be discounted. Any resultant revenue from these issues will then be treated on a receipts basis.

Revenue from distribution and accumulation units or shares in Collective Investment Schemes is recognised when the distribution is quoted ex-dividend.

Revenue from offshore funds is recognised when it is reported.

Equalisation on distributions received from Collective Investment Schemes is treated as capital property of the Sub-fund.

Rebates received from underlying collective investment schemes are treated as revenue or capital depending on the treatment of the Manager's fees in the underlying fund.

Revenue from derivative instruments will be treated in accordance with Note 2(i).

All other revenue is recognised on an accruals basis.

#### (d) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

#### (e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution.

In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

In addition, the equalisation received from underlying Collective Investment Schemes forms part of the distribution for the three Multi-Index Income funds. This will have the effect of increasing the distribution yield for these funds but may constrain capital growth.

For the purpose of calculating the distributions for the three Multi-Index Income Funds, all expenses are deducted from capital.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Sub-fund.

#### (f) Basis of valuation of investments

All investments are valued at their fair value as at 3pm on 15 August 2017, being the last working day of the accounting year. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and the single price for single priced funds. The fair value of the Collective Investment Schemes will normally be the quoted price closest to the valuation point of the L&G Multi-Index Funds.

The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

#### (g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent.

Any liability to deferred tax is provided for at the average rate of tax expected to apply.

#### (h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 3pm on 15 August 2017, being the last working day of the accounting year.

# Legal & General Multi-Index Funds

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (i) Derivative instruments

The Sub-funds may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Sub-fund with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Sub-fund have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

# Legal & General Multi-Index 3 Fund

## Manager's Investment Report

### Investment Objective and Policy

With effect from 3 July 2017, the Sub-fund's Investment Objective and Policy has changed (please see Significant Changes section on page 172).

#### Prior to 3 July 2017

The aim of this Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure mainly to fixed income securities (both government and non-government) and cash, with some exposure to equities and property.

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 3.

#### From 3 July 2017

The aim of this Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

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

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 3.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's F-Class accumulation units rose by 3.14%.

**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.**

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

### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 outperformed their conventional counterparts.

# Legal & General Multi-Index 3 Fund

## Manager's Investment Report continued

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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a modest positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the review year as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK equities contributed to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the review year.

As spreads narrowed and yields climbed, we added to Sub-fund duration and have begun gradually decreasing the Sub-fund's exposure to high yield debt. In order to manage political event risk more effectively, we reduced Sterling exposure in favour of the US Dollar.

We added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally. We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

## Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index 3 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 22.78% (30.38%)</b>			
22,922,278	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>1</sup>	28,446,547	11.04
5,214,352	Legal & General All Stocks Index Linked Gilt Index Trust 'I' Inc <sup>1</sup>	6,121,650	2.37
5,821,068	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	9,534,910	3.70
3,950,000	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	2,139,715	0.83
23,290,875	Legal & General UK Property Fund 'L' Inc <sup>1</sup>	12,481,580	4.84
		<b>58,724,402</b>	<b>22.78</b>
<b>Continental Europe — 3.97% (2.44%)</b>			
5,394,883	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>1</sup>	5,865,317	2.27
1,510,128	Legal & General European Index Trust 'I' Inc <sup>1</sup>	4,370,311	1.70
		<b>10,235,628</b>	<b>3.97</b>
<b>North America — 4.68% (5.79%)</b>			
3,126,843	Legal & General US Index Trust 'I' Inc <sup>1</sup>	12,069,615	4.68
<b>Pacific — 0.79% (1.03%)</b>			
1,853,211	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	2,021,853	0.79
<b>Japan — 2.43% (2.47%)</b>			
11,919,321	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	6,264,795	2.43
<b>Global — 43.96% (34.00%)</b>			
51,781,982	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>1</sup>	27,133,758	10.53
8,201,702	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	5,104,739	1.98
22,427,367	Legal & General High Income Trust 'I' Inc <sup>1</sup>	11,330,306	4.40
40,820,983	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	21,226,911	8.23
48,662,085	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	27,854,177	10.80
16,864,630	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	20,670,977	8.02
		<b>113,320,868</b>	<b>43.96</b>
<b>Emerging Markets — 9.60% (6.01%)</b>			
13,519,110	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	8,416,998	3.27
25,714,002	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	15,078,691	5.85
2,193,713	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	1,244,713	0.48
		<b>24,740,402</b>	<b>9.60</b>
<b>FUTURES — -0.13% (-0.98%)</b>			
103	Australia 10 Year Future Expiry September 2017	(109,797)	(0.05)
(56)	LIFFE Long Gilt Future Expiry September 2017	(74,186)	(0.03)
71	Euro Stoxx 50 Future Expiry September 2017	(33,666)	(0.01)
49	Stoxx 600 Oil & Gas Future Expiry September 2017	(1,718)	—
196	Stoxx 600 Utilities Future Expiry September 2017	31,949	0.01
9	XAE Energy Future Expiry September 2017	(23,237)	(0.01)
62	XAU Utilities Future Expiry September 2017	49,853	0.02
(14)	AUD/USD Currency Future Expiry September 2017	(22,071)	(0.01)
(23)	EUR/GBP Currency Future Expiry September 2017	(60,731)	(0.02)
(27)	EUR/USD Currency Future Expiry September 2017	(56,415)	(0.02)
152	GBP/USD Currency Future Expiry September 2017	(28,564)	(0.01)
43	USD/KRW Currency Future Expiry September 2017	1,702	—
		<b>(326,881)</b>	<b>(0.13)</b>
<b>Portfolio of investments<sup>2</sup></b>		<b>227,050,682</b>	<b>88.08</b>
<b>Net other assets<sup>3</sup></b>		<b>30,714,426</b>	<b>11.92</b>
<b>Total net assets</b>		<b>£257,765,108</b>	<b>100.00%</b>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £20,967,959 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £113,470,000.

Total sales for the year: £11,443,180.

# Legal & General Multi-Index 3 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	£	16/08/16 to 15/08/17 £	£	16/06/15 to 15/08/16* £	£
<b>Income</b>					
<b>Net capital gains</b>	3		2,817,573		10,022,278
<b>Revenue</b>	4	4,301,254		2,328,058	
<b>Expenses</b>	5	(592,184)		(356,115)	
<b>Interest payable and similar charges</b>	7	(1,494)		(12,801)	
<b>Net revenue before taxation</b>		3,707,576		1,959,142	
<b>Taxation</b>	6	(230,434)		(271,644)	
<b>Net revenue after taxation for the year</b>			3,477,142		1,687,498
<b>Total return before distributions</b>			6,294,715		11,709,776
<b>Distributions</b>	7		(3,477,142)		(1,716,390)
<b>Change in net assets attributable to Unitholders from investment activities</b>			<b>£2,817,573</b>		<b>£9,993,386</b>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	£	16/08/16 to 15/08/17 £	£	16/06/15 to 15/08/16* £	£
<b>Opening net assets attributable to Unitholders</b>			149,669,821		61,883,504
<b>Amounts received on issue of units</b>		110,375,359		82,202,528	
<b>Amounts paid on cancellation of units</b>		(8,842,133)		(6,142,298)	
			101,533,226		76,060,230
<b>Change in net assets attributable to Unitholders from investment activities</b>			2,817,573		9,993,386
<b>Retained distributions on accumulation units</b>			3,744,488		1,732,701
<b>Closing net assets attributable to Unitholders</b>			<b>£257,765,108</b>		<b>£149,669,821</b>

## Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16 £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	227,461,067	122,922,484
<b>Current assets:</b>		
<b>Debtors</b>	8 1,690,008	1,002,823
<b>Cash and bank balances</b>	9 9,804,948	9,815,237
<b>Cash equivalents</b>	9 20,967,959	17,859,247
<b>Total assets</b>	<b>259,923,982</b>	<b>151,599,791</b>
<b>LIABILITIES</b>		
<b>Investment liabilities</b>		
	(410,385)	(1,487,000)
<b>Creditors:</b>		
<b>Bank overdrafts</b>	9 (1,148)	(63,487)
<b>Distributions payable</b>	(149,428)	—
<b>Other creditors</b>	10 (1,597,913)	(379,483)
<b>Total liabilities</b>	<b>(2,158,874)</b>	<b>(1,929,970)</b>
<b>Net assets attributable to Unitholders</b>	<b>£257,765,108</b>	<b>£149,669,821</b>

\* The accounting year end date changed from 15 June to 15 August 2016.

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	930,020	11,835,968
Non-derivative securities (realised) <sup>1</sup>	1,415,282	(109,681)
Derivative securities (unrealised) <sup>1</sup>	1,143,095	(1,496,696)
Derivative securities (realised) <sup>1</sup>	(722,404)	(342,019)
Currency gains	8,357	110,481
Management fee rebates	43,223	24,225
Net capital gains	<u>2,817,573</u>	<u>10,022,278</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
UK Franked distributions	825,490	625,149
Interest distributions	2,937,133	1,272,984
Management fee rebates	104,107	71,179
Property income distributions	394,605	356,175
Futures revenue	38,601	—
Bank interest	1,318	2,571
	<u>4,301,254</u>	<u>2,328,058</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	592,184	356,115
Total expenses	<u>592,184</u>	<u>356,115</u>

Audit fees of £7,920 plus VAT of £1,584 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £7,800 plus VAT of £1,560.

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Corporation Tax	230,434	271,644
Current tax [note 6(b)]	230,434	271,644
Deferred tax [note 6(c)]	—	—
Total taxation	<u>230,434</u>	<u>271,644</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>3,707,576</u>	<u>1,959,142</u>
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	741,515	391,828
<b>Effects of:</b>		
Revenue not subject to taxation	(165,098)	(125,029)
Interest distributions deductible for tax purposes	(354,628)	—
Capitalised revenue subject to taxation	<u>8,645</u>	<u>4,845</u>
Current tax	<u>230,434</u>	<u>271,644</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Interim distributions	1,429,203	1,869,174
Final distribution	<u>2,570,258</u>	<u>—</u>
	3,999,461	1,869,174
Add: Revenue deducted on cancellation of units	47,984	17,840
Less: Revenue received on creation of units	<u>(570,303)</u>	<u>(170,624)</u>
<b>Distributions for the year</b>	<b><u>3,477,142</u></b>	<b><u>1,716,390</u></b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	1,494	—
Futures expense	<u>—</u>	<u>12,801</u>
	<u>3,478,636</u>	<u>1,729,191</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Net revenue after taxation for the year	3,477,142	1,687,498
Equalisation uplift on unit conversions	—	4
Add: Tax effect of capitalised revenue	—	4,845
Revenue Shortfall	<u>—</u>	<u>24,043</u>
<b>Distributions for the year</b>	<b><u>3,477,142</u></b>	<b><u>1,716,390</u></b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	307,312	163,700
Amounts receivable for creation of units	1,298,416	657,899
CIS tax recoverable	4,998	168,599
Management fee rebates	23,216	12,625
Corporation tax recoverable	<u>56,066</u>	<u>—</u>
	<u>1,690,008</u>	<u>1,002,823</u>

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	1,352,742	2,268,745
Cash and bank balances	8,452,206	7,546,492
Bank overdrafts	(1,148)	(63,487)
Cash equivalents	20,967,959	17,859,247
Net uninvested cash	<u>30,771,759</u>	<u>27,610,997</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	41,722	24,941
Corporation tax payable	—	271,644
Amounts payable for cancellation of units	356,191	82,898
Purchases awaiting settlement	1,200,000	—
	<u>1,597,913</u>	<u>379,483</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 10.

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 12. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £11,352,534 (15 August 2016: £6,071,774).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £172,145,332 (66.78% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £118,490 (15 August 2016: £39,464).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(572)	(110)	(682)
Euro	(5,277)	(3)	(5,280)
South-Korean Won	(307)	—	(307)
US Dollar	(5,606)	26	(5,580)

15/08/16 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(477)	—	(477)
Euro	449	(215)	234
Japanese Yen	(1,702)	(61)	(1,763)
South-Korean Won	(264)	2	(262)
US Dollar	(747)	(944)	(1,691)

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £9,583,307 (15 August 2016: £6,490,009), representing 3.72% of the net asset value (15 August 2016: £4.34%).

This resulted in an effective equity exposure at the year end of 91.80% (15 August 2016: 76.80%) of net assets, which means that gain or losses of the Sub-fund will be 0.9180 (15 August 2016: 0.7680) times the gains or losses if the Sub-fund was fully invested in equities.

### (g) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	83,504	(410,385)
Level 2 – Observable Market Data	227,377,563	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>227,461,067</b>	<b>(410,385)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	17,022	(1,487,000)
Level 2 – Observable Market Data	122,905,462	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>122,922,484</b>	<b>(1,487,000)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	113,459	—	—	11	0.01	113,470
<b>Total</b>	<b>113,459</b>	<b>—</b>	<b>—</b>	<b>11</b>	<b>0.01</b>	<b>113,470</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	11,443	—	—	—	—	11,443
<b>Total</b>	<b>11,443</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>11,443</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	64,863	—	—	9	0.01	64,872
<b>Total</b>	<b>64,863</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>0.01</b>	<b>64,872</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	7,619	—	—	—	—	7,619
<b>Total</b>	<b>7,619</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,619</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.48% (15 August 2016: 0.65%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 23 to 27. The distributions per unit class are given in the distribution tables on pages 21 to 22. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	11,817	364,724
Units cancelled	—	—
Units converted	—	—
Closing Units	11,817	364,724

F-Class	Distribution	Accumulation
Opening Units	42,430	595,851
Units issued	38,552	543,628
Units cancelled	—	(25,371)
Units converted	—	—
Closing Units	80,982	1,114,108

I-Class	Distribution	Accumulation
Opening Units	13,203,263	182,480,817
Units issued	7,221,923	152,291,734
Units cancelled	(3,739,035)	(5,140,828)
Units converted	—	—
Closing Units	16,686,151	329,631,723

C-Class	Distribution	Accumulation
Opening Units	6,062,403	39,954,350
Units issued	3,245,867	12,472,346
Units cancelled	(1,593,976)	(3,879,639)
Units converted	—	—
Closing Units	7,714,294	48,547,057

L-Class	Distribution
Opening Units	1,044
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	1,044

# Legal & General Multi-Index 3 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 6.93% (15 August 2016: 9.37%) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 64.01p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 63.87p. This represents a decrease of 0.22% from the year end value.

# Legal & General Multi-Index 3 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/02/17*	
	Net		Distribution	Distribution
	Revenue	Equalisation	15/04/17	15/02/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	0.3841	—	0.3841	0.4202
Group 2	0.2925	0.0916	0.3841	0.4202
<b>F-Class Accumulation Units</b>				
Group 1	0.4006	—	0.4006	0.4307
Group 2	0.0147	0.3859	0.4006	0.4307
<b>I-Class Distribution Units</b>				
Group 1	0.4426	—	0.4426	0.4645
Group 2	0.1246	0.3180	0.4426	0.4645
<b>I-Class Accumulation Units</b>				
Group 1	0.4618	—	0.4618	0.4745
Group 2	0.1181	0.3437	0.4618	0.4745
<b>C-Class Distribution Units</b>				
Group 1	0.4589	—	0.4589	0.4766
Group 2	0.1216	0.3373	0.4589	0.4766
<b>C-Class Accumulation Units</b>				
Group 1	0.4810	—	0.4810	0.4915
Group 2	0.1498	0.3312	0.4810	0.4915
<b>L-Class Distribution Units</b>				
Group 1	0.5162	—	0.5162	0.5162
Group 2	—	0.5162	0.5162	0.5162

	2nd Interim dividend distribution in pence per unit		Period N/A*	
	Net		Distribution	Distribution
	Revenue	Equalisation	N/A	14/08/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	—	—	—	0.4204
Group 2	—	—	—	0.4204
<b>F-Class Accumulation Units</b>				
Group 1	—	—	—	0.4351
Group 2	—	—	—	0.4351
<b>I-Class Distribution Units</b>				
Group 1	—	—	—	0.4631
Group 2	—	—	—	0.4631
<b>I-Class Accumulation Units</b>				
Group 1	—	—	—	0.4806
Group 2	—	—	—	0.4806
<b>C-Class Distribution Units</b>				
Group 1	—	—	—	0.4792
Group 2	—	—	—	0.4792
<b>C-Class Accumulation Units</b>				
Group 1	—	—	—	0.4970
Group 2	—	—	—	0.4970
<b>L-Class Distribution Units</b>				
Group 1	—	—	—	0.5201
Group 2	—	—	—	0.5201

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 3 Fund

## Distribution Tables continued

Final interest distribution in pence per unit	Net		Period	
			16/02/17 to 15/08/17	
	Revenue	Equalisation	Distribution 15/10/17	Distribution 15/10/16*^
<b>R-Class Distribution Units**</b>				
Group 1	0.3285	—	0.3285	—
Group 2	0.1396	0.1889	0.3285	—
<b>R-Class Accumulation Units**</b>				
Group 1	0.3269	—	0.3269	—
Group 2	0.1168	0.2101	0.3269	—
<b>F-Class Distribution Units</b>				
Group 1	0.5454	—	0.5454	—
Group 2	0.4715	0.0739	0.5454	—
<b>F-Class Accumulation Units</b>				
Group 1	0.5718	—	0.5718	—
Group 2	0.5000	0.0718	0.5718	—
<b>I-Class Distribution Units</b>				
Group 1	0.6035	—	0.6035	—
Group 2	0.3104	0.2931	0.6035	—
<b>I-Class Accumulation Units</b>				
Group 1	0.6350	—	0.6350	—
Group 2	0.3164	0.3186	0.6350	—
<b>C-Class Distribution Units</b>				
Group 1	0.6253	—	0.6253	—
Group 2	0.1815	0.4438	0.6253	—
<b>C-Class Accumulation Units</b>				
Group 1	0.6591	—	0.6591	—
Group 2	0.3020	0.3571	0.6591	—
<b>L-Class Distribution Units</b>				
Group 1	0.6791	—	0.6791	—
Group 2	—	0.6791	0.6791	—

\* The accounting year end date changed from 15 June to 15 August 2016.

^ The Sub-fund was in a shortfall position, and therefore no distribution payment was made.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 3 Fund

## Sub-fund Information

The Comparative Tables on pages 23 to 27 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.01
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	0.86
Distributions on income units	(0.33)
Closing net asset value per unit	50.53

\* after direct transaction costs of: —

#### Performance

Return after charges 1.72%

#### Other Information

Closing net asset value (£)	5,971
Closing number of units	11,817
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.01%

#### Prices

Highest unit price	51.18p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index 3 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges* Operating charges (calculated on average price)	1.01 (0.15)
Return after operating charges*	0.86
Distributions Retained distributions on accumulation units	(0.33) 0.33
Closing net asset value per unit	50.86
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	1.72%
<b>Other Information</b>	
Closing net asset value (£)	185,500
Closing number of units	364,724
Operating charges†	0.76%
Direct transaction costs	0.01%
<b>Prices</b>	
Highest unit price	51.19p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

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### F-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	59.25	54.88	51.60
Return before operating charges* Operating charges (calculated on average price)	2.13 (0.30)	5.49 (0.28)	4.22 (0.26)
Return after operating charges*	1.83	5.21	3.96
Distributions on income units	(0.93)	(0.84)	(0.68)
Closing net asset value per unit	60.15	59.25	54.88
* after direct transaction costs of:	—	—	0.01
<b>Performance</b>			
Return after charges	3.09%	9.49%	7.67%
<b>Other Information</b>			
Closing net asset value (£)	48,712	25,139	1,063
Closing number of units	80,982	42,430	1,937
Operating charges†	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	61.06p	59.68p	57.11p
Lowest unit price	58.00p	53.67p	51.60p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 3 Fund

## Comparative Tables continued

### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.70	56.30	52.34
Return before operating charges*	2.25	5.69	4.23
Operating charges (calculated on average price)	(0.31)	(0.29)	(0.27)
Return after operating charges*	1.94	5.40	3.96
Distributions	(0.97)	(0.86)	(0.67)
Retained distributions on accumulation units	0.97	0.86	0.67
Closing net asset value per unit	63.64	61.70	56.30

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.14% 9.59% 7.57%

#### Other Information

Closing net asset value (£)	708,964	367,659	179,891
Closing number of units	1,114,108	595,851	319,506
Operating charges†	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	64.01p	62.15p	58.24p
Lowest unit price	60.40p	55.04p	52.32p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	59.24	54.84	51.57
Return before operating charges*	2.13	5.49	4.15
Operating charges (calculated on average price)	(0.18)	(0.17)	(0.17)
Return after operating charges*	1.95	5.32	3.98
Distributions on income units	(1.05)	(0.92)	(0.71)
Closing net asset value per unit	60.14	59.24	54.84

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.29% 9.70% 7.72%

#### Other Information

Closing net asset value (£)	10,035,831	7,822,094	2,790,252
Closing number of units	16,686,151	13,203,263	5,087,857
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	61.09p	59.67p	57.07p
Lowest unit price	58.02p	53.65p	51.56p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 3 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.96	56.44	52.39
Return before operating charges*	2.24	5.70	4.22
Operating charges (calculated on average price)	(0.19)	(0.18)	(0.17)
Return after operating charges*	2.05	5.52	4.05
Distributions Retained distributions on accumulation units	(1.10)	(0.95)	(0.72)
	1.10	0.95	0.72
Closing net asset value per unit	64.01	61.96	56.44

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.31% 9.78% 7.73%

#### Other Information

Closing net asset value (£)	210,992,112	113,065,138	47,638,128
Closing number of units	329,631,723	182,480,817	84,408,551
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	64.37p	62.41p	58.37p
Lowest unit price	60.68p	55.19p	52.36p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	59.25	54.84	51.58
Return before operating charges*	2.13	5.49	4.16
Operating charges (calculated on average price)	(0.14)	(0.13)	(0.13)
Return after operating charges*	1.99	5.36	4.03
Distributions on income units	(1.08)	(0.95)	(0.77)
Closing net asset value per unit	60.16	59.25	54.84

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.36% 9.77% 7.81%

#### Other Information

Closing net asset value (£)	4,640,740	3,591,932	880,651
Closing number of units	7,714,294	6,062,403	1,605,911
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	61.12p	59.68p	57.06p
Lowest unit price	58.04p	53.65p	51.57p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 3 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	62.06	56.50	52.38
Return before operating charges*	2.25	5.70	4.26
Operating charges (calculated on average price)	(0.15)	(0.14)	(0.14)
Return after operating charges*	2.10	5.56	4.12
Distributions	(1.14)	(0.98)	(0.78)
Retained distributions on accumulation units	1.14	0.98	0.78
Closing net asset value per unit	64.16	62.06	56.50

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.38% 9.84% 7.87%

#### Other Information

Closing net asset value (£)	31,146,649	24,797,240	10,392,946
Closing number of units	48,547,057	39,954,350	18,395,702
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	64.52p	62.51p	58.39p
Lowest unit price	60.80p	55.25p	52.37p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	59.29	54.89	51.61
Return before operating charges*	2.20	5.46	4.06
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.03)
Return after operating charges*	2.16	5.43	4.03
Distributions on income units	(1.20)	(1.03)	(0.75)
Closing net asset value per unit	60.25	59.29	54.89

\* after direct transaction costs of: — — 0.01

#### Performance

Return after charges 3.64% 9.91% 7.81%

#### Other Information

Closing net asset value (£)	629	619	573
Closing number of units	1,044	1,044	1,044
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	61.27p	59.77p	57.18p
Lowest unit price	58.12p	53.74p	51.61p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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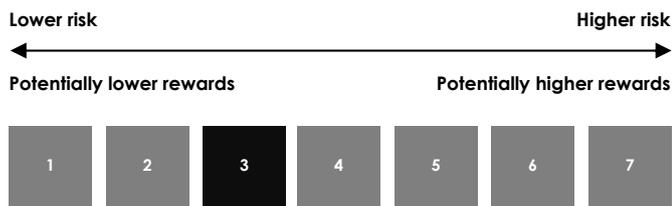
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# Legal & General Multi-Index 3 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category three because it invests, through other funds, in bonds, with some exposure to other asset types, mainly company shares. Bonds generally provide lower rewards and lower risks whereas company shares generally provide higher rewards and higher risks. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index 4 Fund

## Manager's Investment Report

### Investment Objective and Policy

With effect from 3 July 2017, the Sub-fund's Investment Objective and Policy has changed (please see Significant Changes section on page 172).

#### Prior to 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure mainly to fixed income securities (both government and non-government), cash and equities, with some exposure to property.

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

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

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

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

#### From 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

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

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

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

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

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

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's F-Class accumulation units rose by 5.29%.

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### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 outperformed their conventional counterparts.

# Legal & General Multi-Index 4 Fund

## Manager's Investment Report continued

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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the period as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK and US equities contributed to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrowed and yields climbed, we added to Sub-fund duration and have begun gradually decreasing the Sub-fund's exposure to high yield debt. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar.

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally. We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

We reduced exposure to the UK within the equities portion of the Sub-fund in favour of other regions.

## Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index 4 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 17.74% (23.88%)</b>			
12,146,312	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>1</sup>	15,073,573	2.87
5,376,538	Legal & General All Stocks Index Linked Gilt Index Trust 'I' Inc <sup>1</sup>	6,312,055	1.20
26,228,556	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	42,962,374	8.18
13,619,629	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	7,377,753	1.40
40,133,101	Legal & General UK Property Fund 'L' Inc <sup>1</sup>	21,507,329	4.09
		<b>93,233,084</b>	<b>17.74</b>
<b>Continental Europe — 7.03% (6.63%)</b>			
9,660,525	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>1</sup>	10,502,923	2.00
9,129,026	Legal & General European Index Trust 'I' Inc <sup>1</sup>	26,419,400	5.03
		<b>36,922,323</b>	<b>7.03</b>
<b>North America — 7.99% (8.64%)</b>			
10,879,730	Legal & General US Index Trust 'I' Inc <sup>1</sup>	41,995,758	7.99
<b>Pacific — 1.67% (2.53%)</b>			
8,034,058	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	8,765,157	1.67
<b>Japan — 4.73% (3.73%)</b>			
47,328,977	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	24,876,111	4.73
<b>Global — 43.83% (38.33%)</b>			
84,812,867	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>1</sup>	44,441,942	8.46
24,369,498	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	15,167,575	2.89
45,399,762	Legal & General High Income Trust 'I' Inc <sup>1</sup>	22,935,960	4.36
20,608,413	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	10,716,375	2.04
139,867,269	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	80,060,025	15.23
46,517,672	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	57,016,710	10.85
		<b>230,338,587</b>	<b>43.83</b>
<b>Emerging Markets — 11.75% (6.97%)</b>			
34,555,319	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	21,514,141	4.09
58,123,690	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	34,083,732	6.49
10,845,963	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	6,153,999	1.17
		<b>61,751,872</b>	<b>11.75</b>
<b>FUTURES — -0.19% (-0.93%)</b>			
136	Australia 10 Year Future Expiry September 2017	(181,765)	(0.04)
(58)	LIFFE Long Gilt Future Expiry September 2017	(76,029)	(0.01)
(27)	EMINI S&P 500 Future Expiry September 2017	4,252	—
31	Euro Stoxx 50 Future Expiry September 2017	(24,835)	—
98	Russell 2000 Future Expiry September 2017	(195,068)	(0.04)
98	Stoxx 600 Oil & Gas Future Expiry September 2017	(3,435)	—
381	Stoxx 600 Utilities Future Expiry September 2017	44,331	0.01
53	XAE Energy Future Expiry September 2017	(115,065)	(0.02)
93	XAU Utilities Future Expiry September 2017	69,628	0.01
(57)	AUD/USD Currency Future Expiry September 2017	(105,792)	(0.02)
(56)	EUR/GBP Currency Future Expiry September 2017	(155,297)	(0.03)
(95)	EUR/USD Currency Future Expiry September 2017	(205,399)	(0.04)
535	GBP/USD Currency Future Expiry September 2017	(44,957)	(0.01)
216	USD/KRW Currency Future Expiry September 2017	8,548	—
		<b>(980,883)</b>	<b>(0.19)</b>
<b>Portfolio of investments<sup>2</sup></b>		<b>496,902,009</b>	<b>94.55</b>
<b>Net other assets<sup>3</sup></b>		<b>28,663,983</b>	<b>5.45</b>
<b>Total net assets</b>		<b>£525,565,992</b>	<b>100.00%</b>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £12,316,925 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £220,799,432.

Total sales for the year: £15,653,458.

# Legal & General Multi-Index 4 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

	Notes	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16* £
<b>Income</b>			
Net capital gains	3	13,041,776	22,207,531
Revenue	4	10,219,736	6,004,694
Expenses	5	(1,177,806)	(749,141)
Interest payable and similar charges	7	(1,897)	—
Net revenue before taxation		9,040,033	5,255,553
Taxation	6	(1,157,682)	(453,320)
Net revenue after taxation for the year		<u>7,882,351</u>	<u>4,802,233</u>
Total return before distributions		20,924,127	27,009,764
Distributions	7	(7,893,311)	(4,808,154)
Change in net assets attributable to Unitholders from investment activities		<u>£13,030,816</u>	<u>£22,201,610</u>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16* £
Opening net assets attributable to Unitholders	306,775,704	134,607,450
Amounts received on issue of units	205,732,283	152,305,659
Amounts paid on cancellation of units	(8,393,649)	(7,154,083)
	197,338,634	145,151,576
Change in net assets attributable to Unitholders from investment activities	13,030,816	22,201,610
Retained distributions on accumulation units	<u>8,420,838</u>	<u>4,815,068</u>
Closing net assets attributable to Unitholders	<u>£525,565,992</u>	<u>£306,775,704</u>

## Balance Sheet as at 15 August 2017

	Notes	15/08/17 £	15/08/16 £
<b>ASSETS</b>			
Fixed assets:			
Investments		498,009,651	278,367,678
Current assets:			
Debtors	8	5,968,052	3,137,763
Cash and bank balances	9	12,733,548	11,746,566
Cash equivalents	9	<u>12,316,925</u>	<u>17,230,426</u>
Total assets		<u>529,028,176</u>	<u>310,482,433</u>
<b>LIABILITIES</b>			
Investment liabilities		(1,107,642)	(2,942,288)
Creditors:			
Bank overdrafts	9	(1,871)	(86,979)
Distributions payable		(397,584)	(56,621)
Other creditors	10	<u>(1,955,087)</u>	<u>(620,841)</u>
Total liabilities		<u>(3,462,184)</u>	<u>(3,706,729)</u>
Net assets attributable to Unitholders		<u>£525,565,992</u>	<u>£306,775,704</u>

\* The accounting year end date changed from 15 June to 15 August 2016.

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	12,079,149	27,218,455
Non-derivative securities (realised) <sup>1</sup>	1,755,952	(365,551)
Derivative securities (unrealised) <sup>1</sup>	1,892,259	(2,951,421)
Derivative securities (realised) <sup>1</sup>	(2,643,900)	(1,993,825)
Currency (losses)/gains	(96,665)	270,572
Management fee rebates	54,981	29,301
Net capital gains	<u>13,041,776</u>	<u>22,207,531</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
UK Franked distributions	3,306,606	3,018,270
Interest distributions	5,843,679	2,075,442
Management fee rebates	234,220	161,794
Property income distributions	694,573	695,569
Futures revenue	138,579	50,381
Bank interest	2,079	3,238
	<u>10,219,736</u>	<u>6,004,694</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>1,177,806</u>	<u>749,141</u>
Total expenses	<u>1,177,806</u>	<u>749,141</u>

Audit fees of £7,920 plus VAT of £1,584 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £7,800 plus VAT of £1,560.

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Corporation Tax	1,157,682	453,320
Current tax [note 6(b)]	1,157,682	453,320
Deferred tax [note 6(c)]	—	—
Total taxation	<u>1,157,682</u>	<u>453,320</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>9,040,033</u>	<u>5,255,553</u>
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	1,808,007	1,051,111
<b>Effects of:</b>		
Revenue not subject to taxation	(661,321)	(603,651)
Capitalised revenue subject to taxation	<u>10,996</u>	<u>5,860</u>
Current tax	<u>1,157,682</u>	<u>453,320</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Interim distributions	3,659,024	4,551,789
Final distribution	<u>5,459,686</u>	<u>672,839</u>
	9,118,710	5,224,628
Add: Revenue deducted on cancellation of units	48,765	19,001
Less: Revenue received on creation of units	<u>(1,274,164)</u>	<u>(435,475)</u>
<b>Distributions for the year</b>	<b><u>7,893,311</u></b>	<b><u>4,808,154</u></b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>1,897</u>	<u>—</u>
	<u>7,895,208</u>	<u>4,808,154</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Net revenue after taxation for the year	7,882,351	4,802,233
Add: Tax effect of capitalised revenue	10,996	5,860
Equalisation uplift on unit conversions	<u>(36)</u>	<u>61</u>
<b>Distributions for the year</b>	<b><u>7,893,311</u></b>	<b><u>4,808,154</u></b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	1,159,801	843,170
Amounts receivable for creation of units	4,750,809	1,913,971
CIS tax recoverable	12,972	354,282
Management fee rebates	<u>44,470</u>	<u>26,340</u>
	<u>5,968,052</u>	<u>3,137,763</u>

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	3,094,123	4,250,824
Cash and bank balances	9,639,425	7,495,742
Bank overdrafts	(1,871)	(86,979)
Cash equivalents	12,316,925	17,230,426
Net uninvested cash	<u>25,048,602</u>	<u>28,890,013</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	85,903	52,102
Corporation tax payable	529,182	453,320
Amounts payable for cancellation of units	40,002	115,419
Purchases awaiting settlement	1,300,000	—
	<u>1,955,087</u>	<u>620,841</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 29.

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 31. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £ 24,845,100 (15 August 2016: £13,771,270).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £302,657,436 (57.59% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £400,489 (15 August 2016: £105,602).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(3,071)	(182)	(3,253)
Euro	(16,663)	16	(16,647)
South-Korean Won	(1,546)	—	(1,546)
US Dollar	(18,367)	(236)	(18,603)

15/08/16 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(2,326)	—	(2,326)
Euro	134	(56)	78
Japanese Yen	(5,478)	17	(5,461)
South-Korean Won	(1,342)	8	(1,334)
US Dollar	989	(2,573)	(1,584)

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date, the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £20,012,373 (15 August 2016: £8,696,557), representing 3.81% of the net asset value (15 August 2016: £2.83%).

This results in an effective equity exposure at the year end of 98.36% (15 August 2016: 86.95%) of net assets, which means that the gains or losses of the Sub-fund will be 0.9836 (15 August 2016: 0.9293) times the gains or losses if the Sub-fund was fully invested in equities.

### (g) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 – Quoted Prices	126,759	(1,107,642)
Level 2 – Observable Market Data	497,882,892	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>498,009,651</b>	<b>(1,107,642)</b>

15/08/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 – Quoted Prices	70,660	(2,942,288)
Level 2 – Observable Market Data	278,297,018	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>278,367,678</b>	<b>(2,942,288)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	220,771	—	—	28	0.01%	220,799
<b>Total</b>	<b>220,771</b>	<b>—</b>	<b>—</b>	<b>28</b>	<b>0.01%</b>	<b>220,799</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	15,653	—	—	—	—	15,653
<b>Total</b>	<b>15,653</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,653</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	144,674	—	—	21	0.01	144,695
<b>Total</b>	<b>144,674</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>0.01</b>	<b>144,695</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	16,241	—	—	—	—	16,241
<b>Total</b>	<b>16,241</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>16,241</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.51% (15 August 2016: 0.67%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 42 to 46. The distributions per unit class are given in the distribution tables on pages 40 to 41. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	9,829	170,351
Units cancelled	—	—
Units converted	—	—
Closing Units	9,829	170,351

F-Class	Distribution	Accumulation
Opening Units	10,128	1,895,987
Units issued	—	392,764
Units cancelled	—	(57,229)
Units converted	—	—
Closing Units	10,128	2,231,522

I-Class	Distribution	Accumulation
Opening Units	30,960,051	356,274,217
Units issued	17,947,081	262,434,795
Units cancelled	(3,690,036)	(2,955,841)
Units converted	183,609	209,851
Closing Units	45,400,705	615,963,022

C-Class	Distribution	Accumulation
Opening Units	11,399,822	82,484,446
Units issued	6,048,571	28,668,400
Units cancelled	(2,215,613)	(4,361,273)
Units converted	(183,670)	(209,480)
Closing Units	15,049,110	106,582,093

L-Class	Distribution
Opening Units	1,557
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	1,557

# Legal & General Multi-Index 4 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 3.75% (6.01% as at 15 August 2016) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 67.27p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 67.29p. This represents an increase of 0.03% from the year end value.

# Legal & General Multi-Index 4 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/02/17*	
	Net		Distribution	Distribution
	Revenue	Equalisation	15/04/17	15/02/16
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	0.5278	—	0.5278	0.5507
Group 2	—	0.5278	0.5278	0.5507
<b>F-Class Accumulation Units</b>				
Group 1	0.5447	—	0.5447	0.5568
Group 2	0.2502	0.2945	0.5447	0.5568
<b>I-Class Distribution Units</b>				
Group 1	0.5777	—	0.5777	0.5837
Group 2	0.2480	0.3297	0.5777	0.5837
<b>I-Class Accumulation Units</b>				
Group 1	0.6094	—	0.6094	0.6019
Group 2	0.1861	0.4233	0.6094	0.6019
<b>C-Class Distribution Units</b>				
Group 1	0.5991	—	0.5991	0.5996
Group 2	0.2053	0.3938	0.5991	0.5996
<b>C-Class Accumulation Units</b>				
Group 1	0.6332	—	0.6332	0.6183
Group 2	0.2449	0.3883	0.6332	0.6183
<b>L-Class Distribution Units</b>				
Group 1	0.6621	—	0.6621	0.6422
Group 2	—	0.6621	0.6621	0.6422

	2nd Interim dividend distribution in pence per unit		Period N/A*	
	Net		Distribution	Distribution
	Revenue	Equalisation	N/A	14/08/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	—	—	—	0.4794
Group 2	—	—	—	0.4794
<b>F-Class Accumulation Units</b>				
Group 1	—	—	—	0.4870
Group 2	—	—	—	0.4870
<b>I-Class Distribution Units</b>				
Group 1	—	—	—	0.5099
Group 2	—	—	—	0.5099
<b>I-Class Accumulation Units</b>				
Group 1	—	—	—	0.5322
Group 2	—	—	—	0.5322
<b>C-Class Distribution Units</b>				
Group 1	—	—	—	0.5257
Group 2	—	—	—	0.5257
<b>C-Class Accumulation Units</b>				
Group 1	—	—	—	0.5494
Group 2	—	—	—	0.5494
<b>L-Class Distribution Units</b>				
Group 1	—	—	—	0.5735
Group 2	—	—	—	0.5735

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 4 Fund

## Distribution Tables continued

Final dividend distribution in pence per unit	Period 16/02/17 to 15/08/17*			
	Net		Distribution	Distribution
	Revenue	Equalisation	15/10/17	15/10/16
<b>R-Class Distribution Units**</b>				
Group 1	0.3702	—	0.3702	—
Group 2	0.0661	0.3041	0.3702	—
<b>R-Class Accumulation Units**</b>				
Group 1	0.3710	—	0.3710	—
Group 2	0.1210	0.2500	0.3710	—
<b>F-Class Distribution Units</b>				
Group 1	0.6225	—	0.6225	0.1191
Group 2	—	0.6225	0.6225	0.1191
<b>F-Class Accumulation Units</b>				
Group 1	0.6410	—	0.6410	0.1220
Group 2	0.2736	0.3674	0.6410	0.1220
<b>I-Class Distribution Units</b>				
Group 1	0.6532	—	0.6532	0.1321
Group 2	0.3559	0.2973	0.6532	0.1321
<b>I-Class Accumulation Units</b>				
Group 1	0.6955	—	0.6955	0.1387
Group 2	0.3029	0.3926	0.6955	0.1387
<b>C-Class Distribution Units</b>				
Group 1	0.6703	—	0.6703	0.1375
Group 2	0.3101	0.3602	0.6703	0.1375
<b>C-Class Accumulation Units</b>				
Group 1	0.7157	—	0.7157	0.1447
Group 2	0.3746	0.3411	0.7157	0.1447
<b>L-Class Distribution Units</b>				
Group 1	0.7385	—	0.7385	0.1547
Group 2	—	0.7385	0.7385	0.1547

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 4 Fund

## Sub-fund Information

The Comparative Tables on pages 42 to 46 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.45
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.30
Distributions on income units	(0.37)
Closing net asset value per unit	50.93

\* after direct transaction costs of: —

#### Performance

Return after charges 2.60%

#### Other Information

Closing net asset value (£)	5,006
Closing number of units	9,829
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.01%

#### Prices

Highest unit price	51.71p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index 4 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.44
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.29
Distributions	(0.37)
Retained distributions on accumulation units	0.37
Closing net asset value per unit	51.29
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	2.58%
<b>Other Information</b>	
Closing net asset value (£)	87,375
Closing number of units	170,351
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.01%
<b>Prices</b>	
Highest unit price	51.71p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### F-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.52	57.08	52.46
Return before operating charges*	3.54	5.86	5.62
Operating charges (calculated on average price)	(0.31)	(0.28)	(0.27)
Return after operating charges*	3.23	5.58	5.35
Distributions on income units	(1.15)	(1.14)	(0.73)
Closing net asset value per unit	63.60	61.52	57.08
* after direct transaction costs of:	—	0.01	0.01
<b>Performance</b>			
Return after charges	5.25%	9.78%	10.20%
<b>Other Information</b>			
Closing net asset value (£)	6,441	6,231	653
Closing number of units	10,128	10,128	1,144
Operating charges <sup>†</sup>	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices</b>			
Highest unit price	64.70p	62.04p	59.63p
Lowest unit price	60.02p	53.91p	52.37p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index 4 Fund

## Comparative Tables continued

### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	63.48	57.74	53.28
Return before operating charges*	3.67	6.03	4.74
Operating charges (calculated on average price)	(0.32)	(0.29)	(0.28)
Return after operating charges*	3.35	5.74	4.46
Distributions Retained distributions on accumulation units	(1.19)	(1.16)	(0.74)
	1.19	1.16	0.74
Closing net asset value per unit	66.83	63.48	57.74

\* after direct transaction costs of: — 0.01 0.01

#### Performance

Return after charges 5.28% 9.94% 8.37%

#### Other Information

Closing net asset value (£)	1,491,238	1,203,545	841,665
Closing number of units	2,231,522	1,895,987	1,457,796
Operating charges†	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	67.34p	63.90p	59.98p
Lowest unit price	61.94p	55.07p	53.16p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.47	56.11	52.44
Return before operating charges*	3.47	5.75	4.68
Operating charges (calculated on average price)	(0.19)	(0.17)	(0.17)
Return after operating charges*	3.28	5.58	4.51
Distributions on income units	(1.23)	(1.22)	(0.84)
Closing net asset value per unit	62.52	60.47	56.11

\* after direct transaction costs of: — 0.01 0.01

#### Performance

Return after charges 5.42% 9.95% 8.60%

#### Other Information

Closing net asset value (£)	28,382,878	18,722,738	7,332,269
Closing number of units	45,400,705	30,960,051	13,068,686
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	63.64p	61.00p	58.64p
Lowest unit price	59.03p	53.01p	52.40p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 4 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	63.79	57.92	53.29
Return before operating charges*	3.68	6.05	4.81
Operating charges (calculated on average price)	(0.20)	(0.18)	(0.18)
Return after operating charges*	3.48	5.87	4.63
Distributions	(1.30)	(1.27)	(0.86)
Retained distributions on accumulation units	1.30	1.27	0.86
Closing net asset value per unit	67.27	63.79	57.92
* after direct transaction costs of:	—	0.01	0.01

#### Performance

Return after charges	5.46%	10.13%	8.69%
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#### Other Information

Closing net asset value (£)	414,343,277	227,259,300	99,435,403
Closing number of units	615,963,022	356,274,217	171,687,374
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	67.77p	64.21p	60.14p
Lowest unit price	62.27p	55.29p	53.26p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.45	56.08	52.42
Return before operating charges*	3.46	5.76	4.66
Operating charges (calculated on average price)	(0.15)	(0.13)	(0.13)
Return after operating charges*	3.31	5.63	4.53
Distributions on income units	(1.27)	(1.26)	(0.87)
Closing net asset value per unit	62.49	60.45	56.08

\* after direct transaction costs of: — 0.01 0.01

#### Performance

Return after charges	5.48%	10.04%	8.64%
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#### Other Information

Closing net asset value (£)	9,403,940	6,890,969	2,279,345
Closing number of units	15,049,110	11,399,822	4,064,356
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	63.62p	60.98p	58.63p
Lowest unit price	59.01p	52.99p	52.39p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 4 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	63.88	57.96	53.32
Return before operating charges*	3.69	6.06	4.78
Operating charges (calculated on average price)	(0.16)	(0.14)	(0.14)
Return after operating charges*	3.53	5.92	4.64
Distributions Retained distributions on accumulation units	(1.35)	(1.31)	(0.90)
	1.35	1.31	0.90
Closing net asset value per unit	67.41	63.88	57.96
* after direct transaction costs of:	—	0.01	0.01

#### Performance

Return after charges	5.53%	10.22%	8.70%
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#### Other Information

Closing net asset value (£)	71,844,853	52,691,969	24,717,232
Closing number of units	106,582,093	82,484,446	42,643,765
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	67.90p	64.30p	60.18p
Lowest unit price	62.37p	55.36p	53.29p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.14	56.71	52.75
Return before operating charges*	3.50	5.83	4.96
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.03)
Return after operating charges*	3.46	5.80	4.93
Distributions on income units	(1.40)	(1.37)	(0.97)
Closing net asset value per unit	63.20	61.14	56.71

\* after direct transaction costs of: — 0.01 0.01

#### Performance

Return after charges	5.66%	10.23%	9.35%
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#### Other Information

Closing net asset value (£)	984	952	883
Closing number of units	1,557	1,557	1,557
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	64.34p	61.67p	59.30p
Lowest unit price	59.68p	53.59p	52.50p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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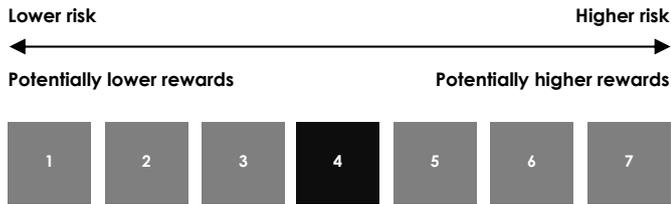
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# Legal & General Multi-Index 4 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, through other funds, in bonds, with some exposure to other asset types, mainly company shares. Bonds generally provide lower rewards and lower risks whereas company shares generally provide higher rewards and higher risks. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index Income 4 Fund

## Manager's Investment Report

### Investment Objective and Policy

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

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

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

The Sub-fund may also invest directly in transferable securities (equity securities and fixed income securities), money market instruments, deposits, and cash and near cash. The Sub-fund may use derivatives for efficient portfolio management purposes only.

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

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's I-Class accumulation units rose by 4.38%.

**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.**

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

### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and

telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the review year as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK equities and the UK equity income strategy led the early contributions to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrow, we have begun gradually decreasing the Fund's exposure to global high yield debt in favour of local currency debt. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar. We also added exposure to global REITs following the sell-off in November.

# Legal & General Multi-Index Income 4 Fund

## Manager's Investment Report continued

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally, and hard currency exposures across Portugal, Croatia and Turkey.

### Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index Income 4 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in investment grade securities or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>GOVERNMENT BONDS:</b>			
<b>Croatia — 0.53% (0.00%)</b>			
EUR125,000	Croatia Government International Bond 3% 20/03/2027 <sup>1</sup>	118,064	0.53
<b>Portugal — 0.53% (0.00%)</b>			
EUR110,000	Portugal Government International Bond 4.95% 25/10/2023 <sup>1</sup>	119,325	0.53
<b>Turkey — 0.44% (0.00%)</b>			
EUR100,000	Turkey Government International Bond 4.125% 11/04/2023 <sup>1</sup>	98,480	0.44
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 17.32% (22.48%)</b>			
143,003	iShares UK Dividend UCITS ETF	1,300,612	5.80
665,557	Legal & General UK Index Trust 'L' Inc <sup>2</sup>	1,090,183	4.86
440,000	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>2</sup>	238,348	1.06
2,343,717	Legal & General UK Property Fund 'L' Inc <sup>2</sup>	1,255,998	5.60
		<b>3,885,141</b>	<b>17.32</b>
<b>Continental Europe — 7.22% (6.56%)</b>			
16,330	iShares EURO Dividend UCITS ETF	334,193	1.49
199,150	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>2</sup>	216,516	0.97
368,940	Legal & General European Index Trust 'I' Inc <sup>2</sup>	1,067,713	4.76
		<b>1,618,422</b>	<b>7.22</b>
<b>North America — 3.33% (3.90%)</b>			
193,333	Legal & General US Index Trust 'I' Inc <sup>2</sup>	746,263	3.33
<b>Pacific — 2.88% (2.95%)</b>			
7,414	iShares Asia Pacific Dividend UCITS ETF	172,672	0.77
432,809	Legal & General Pacific Index Trust 'I' Inc <sup>2</sup>	472,194	2.11
		<b>644,866</b>	<b>2.88</b>
<b>Japan — 1.52% (1.78%)</b>			
648,841	Legal & General Japan Index Trust 'I' Inc <sup>2</sup>	341,031	1.52
<b>Global — 43.07% (44.68%)</b>			
1,259,858	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>2</sup>	660,166	2.94
874,434	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>2</sup>	544,248	2.43
3,441,420	Legal & General High Income Trust 'I' Inc <sup>2</sup>	1,738,606	7.75
2,527,200	Legal & General Managed Monthly Income Trust 'I' Inc <sup>2</sup>	1,685,389	7.52
2,608,419	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc <sup>2</sup>	1,356,378	6.05
2,933,899	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>2</sup>	1,679,364	7.49
1,626,991	LGIM Global Corporate Bond Fund 'B' Acc <sup>2</sup>	1,994,202	8.89
		<b>9,658,353</b>	<b>43.07</b>
<b>Emerging Markets — 15.64% (13.39%)</b>			
1,841	iShares Emerging Markets Dividend UCITS ETF	31,996	0.14
2,651,272	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>2</sup>	1,650,682	7.36
2,762,745	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>2</sup>	1,620,073	7.23
359,049	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>2</sup>	203,725	0.91
		<b>3,506,476</b>	<b>15.64</b>
<b>FUTURES — -0.13% (-0.71%)</b>			
9	Australia 10 Year Future Expiry September 2017	(2,327)	(0.01)
(2)	LIFFE Long Gilt Future Expiry September 2017	(2,760)	(0.01)
1	EMINI S&P 500 Future Expiry September 2017	(167)	—
6	Euro Stoxx 50 Future Expiry September 2017	(2,076)	(0.01)
(5)	FTSE 100 Future Expiry September 2017	(53)	—
3	Mini MSCI Emerging Markets Index Future Expiry September 2017	(882)	—
9	Stoxx 600 Oil & Gas Future Expiry September 2017	(316)	—
35	Stoxx 600 Utilities Future Expiry September 2017	3,414	0.02
2	XAE Energy Future Expiry September 2017	(5,164)	(0.02)
4	XAU Utilities Future Expiry September 2017	6,035	0.02
(4)	AUD/USD Currency Future Expiry September 2017	(8,925)	(0.04)
3	EUR/GBP Currency Future Expiry September 2017	5,700	0.02
(9)	EUR/USD Currency Future Expiry September 2017	(24,686)	(0.11)
28	GBP/USD Currency Future Expiry September 2017	2,834	0.01

# Legal & General Multi-Index Income 4 Fund

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>FUTURES — (cont.)</b>		
11	USD/KRW Currency Future Expiry September 2017	428	—
		(28,945)	(0.13)
<b>Portfolio of investments<sup>3</sup></b>		20,707,476	92.35
<b>Net other assets<sup>4</sup></b>		1,714,359	7.65
<b>Total net assets</b>		<b>£22,421,835</b>	<b>100.00%</b>

<sup>1</sup> These are sub-investment grade fixed interest securities and represent 1.50% of the net assets of the Sub-fund.

<sup>2</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>3</sup> Including investment liabilities.

<sup>4</sup> Includes £100,000 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £7,890,530.

Total sales for the year: £1,076,898.

# Legal & General Multi-Index Income 4 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
<b>Income</b>		
Net capital gains	3	418,172
Revenue	4	623,402
Expenses	5	(46,485)
Interest payable and similar charges	7	(3,733)
Net revenue before taxation		573,184
Taxation	6	(81,655)
Net revenue after taxation for the year		491,529
Total return before distributions		909,701
Distributions	7	(583,160)
Change in net assets attributable to Unitholders from investment activities		£326,541
		£1,007,044

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
Opening net assets attributable to Unitholders	14,018,915	—
Amounts received on issue of units	16,079,762	15,267,679
Amounts paid on cancellation of units	(8,186,320)	(2,301,515)
Change in net assets attributable to Unitholders from investment activities	7,893,442	12,966,164
Retained distributions on accumulation units	182,937	45,707
Closing net assets attributable to Unitholders	£22,421,835	£14,018,915

## Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	20,754,832	13,422,068
<b>Current assets:</b>		
Debtors	8	232,334
Cash and bank balances	9	1,593,112
Cash equivalents	9	100,000
<b>Total assets</b>	<b>22,680,278</b>	<b>14,192,695</b>
<b>LIABILITIES</b>		
<b>Investment liabilities</b>	(47,356)	(100,623)
<b>Creditors:</b>		
Bank overdrafts	9	(24,449)
Distributions payable		(77,381)
Other creditors	10	(109,257)
<b>Total liabilities</b>	<b>(258,443)</b>	<b>(173,780)</b>
<b>Net assets attributable to Unitholders</b>	<b>£22,421,835</b>	<b>£14,018,915</b>

\* The Sub-fund launched on 9 October 2015.

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	438,642	1,172,468
Non-derivative securities (realised) <sup>1</sup>	56,743	2,447
Derivative securities (unrealised) <sup>1</sup>	69,142	(98,087)
Derivative securities (realised) <sup>1</sup>	(153,377)	(42,618)
Forward currency contracts	209	—
Currency gains	2,840	10,392
Management fee rebates	3,973	1,189
Net capital gains	<u>418,172</u>	<u>1,045,791</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Bond interest	2,894	—
UK Franked distributions	91,446	44,560
Interest distributions	404,306	99,247
Management fee rebates	17,445	5,913
Non-taxable overseas distributions	77,438	36,651
Property income distributions	21,949	17,359
Futures revenue	7,838	—
Bank interest	86	—
	<u>623,402</u>	<u>203,730</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>46,485</u>	<u>10,329</u>
Total expenses	<u>46,485</u>	<u>10,329</u>

Audit fees of £8,200 plus VAT of £1,640 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £8,080 plus VAT of £1,616.

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Corporation Tax	81,655	22,436
Current tax [note 6(b)]	81,655	22,436
Deferred tax [note 6(c)]	—	—
Total taxation	<u>81,655</u>	<u>22,436</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	573,184	193,391
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	114,637	38,678
<b>Effects of:</b>		
Revenue not subject to taxation	(33,777)	(16,242)
Capitalised revenue subject to taxation	795	—
Current tax	<u>81,655</u>	<u>22,436</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
1st Interim distribution	39,945	—
2nd Interim distribution	41,367	—
3rd Interim distribution	41,671	—
4th Interim distribution	36,541	—
5th Interim distribution	37,105	19,068
6th Interim distribution	39,683	23,502
7th Interim distribution	43,989	24,478
8th Interim distribution	45,147	24,882
9th Interim distribution	52,862	27,726
10th Interim distribution	50,200	30,251
11th Interim distribution	50,853	33,680
Final distribution	<u>120,858</u>	<u>43,798</u>
	600,221	227,385
Add: Revenue deducted on cancellation of units	22,216	5,346
Less: Revenue received on creation of units	<u>(39,277)</u>	<u>(23,029)</u>
<b>Distributions for the year</b>	<b>583,160</b>	<b>209,702</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	3,733	10
	<u>586,893</u>	<u>209,712</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Net revenue after taxation for the year	491,529	170,955
Add: Expenses charged to capital	46,485	10,329
Equalisation on underlying funds	53,648	30,246
Less: Tax relief on capital expenses	<u>(8,502)</u>	<u>(1,828)</u>
<b>Distributions for the year</b>	<b>583,160</b>	<b>209,702</b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	67,676	37,414
Amounts receivable for creation of units	153,998	8,000
CIS tax recoverable	9,393	16,209
Management fee rebates	<u>1,267</u>	<u>2,744</u>
	<u>232,334</u>	<u>64,367</u>

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	182,188	149,313
Cash and bank balances	1,410,924	556,947
Amounts due to futures clearing houses and brokers	(24,324)	(7,141)
Bank overdrafts	(125)	—
Cash equivalents	100,000	—
Net uninvested cash	<u>1,668,663</u>	<u>699,119</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	2,647	3,195
Amounts payable for cancellation of units	8,955	7,948
Corporation tax payable	37,655	22,436
Purchases awaiting settlement	60,000	—
	<u>109,257</u>	<u>33,579</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 48.

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 50. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,035,374 (15 August 2016: £666,072).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in debt securities and underlying collective investment schemes that pay interest distribution. The market value of debt securities and any floating rate payments from debt securities held (and interest rate swaps) may fluctuate as a result of changes in interest rates. This risk is managed by the active monitoring and adjustment of the investments held directly by this Sub-fund and within each underlying Sub-fund that invests in debt securities, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £12,937,245 (57.70% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £10,988 (15 August 2016: £5,638).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(222)	(2)	(224)
Euro	(596)	337	(259)
South-Korean Won	(77)	—	(77)
US Dollar	(539)	—	(539)

15/08/16 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(119)	—	(119)
Euro	14	—	14
Japanese Yen	(84)	(7)	(91)
South-Korean Won	2	(5)	(3)
US Dollar	(237)	(87)	(324)

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The Sub-fund's investments in bonds expose it to the default risk of the bond issuer with regards interest payments and principal repayments. At the balance sheet date, the bonds held by the Sub-fund do not materially change the credit risk profile of the Sub-fund.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued (g) Fair value

### (d) Credit Risk continued

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £1,355,796 (15 August 2016: £183,880), representing 6.05% of the net asset value (15 August 2016: £1.31%).

This results in an effective equity exposure at the year end of 98.40% (15 August 2016: 93.71%) of net assets, which means that the gains or losses of the Sub-fund will be 0.9840 (15 August 2016: 0.9371) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	1,857,884	(47,356)
Level 2 – Observable Market Data	18,896,948	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>20,754,832</b>	<b>(47,356)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	1,138,560	(100,623)
Level 2 – Observable Market Data	12,283,508	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>13,422,068</b>	<b>(100,623)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued 14. Unit classes

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Bonds	302	—	—	—	—	302
Collective Investment Schemes	7,589	—	—	—	—	7,589
<b>Total</b>	<b>7,891</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,891</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	1,077	—	—	—	—	1,077
<b>Total</b>	<b>1,077</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,077</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	12,516	—	—	—	—	12,516
<b>Total</b>	<b>12,516</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12,516</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	240	—	—	—	—	240
<b>Total</b>	<b>240</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>240</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.66% (15 August 2016: 0.68%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 64 to 67. The distributions per unit class are given in the distribution tables on pages 60 to 63. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	9,852	21,632
Units cancelled	—	—
Units converted	—	—
Closing Units	9,852	21,632

I-Class	Distribution	Accumulation
Opening Units	6,172,039	5,649,985
Units issued	13,028,146	7,557,864
Units cancelled	(1,077,801)	(1,878,959)
Units converted	—	—
Closing Units	18,122,384	11,328,890

C-Class	Distribution	Accumulation
Opening Units	2,934,202	864,473
Units issued	5,412,920	3,121,979
Units cancelled	(418,669)	(1,428,207)
Units converted	—	—
Closing Units	7,928,453	2,558,245

L-Class	Distribution
Opening Units	10,002,000
Units issued	—
Units cancelled	(9,999,344)
Units converted	—
Closing Units	2,656

# Legal & General Multi-Index Income 4 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 0.03% (41.23% as at 15 August 2016) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 58.10p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 58.08p. This represents a decrease of 0.03% from the year end value.

# Legal & General Multi-Index Income 4 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/09/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/10/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1377	—	0.1377	—
Group 2	0.0110	0.1267	0.1377	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1412	—	0.1412	—
Group 2	0.0457	0.0955	0.1412	—
<b>C-Class Distribution Units</b>				
Group 1	0.1378	—	0.1378	—
Group 2	0.0317	0.1061	0.1378	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1410	—	0.1410	—
Group 2	0.0035	0.1375	0.1410	—
<b>L-Class Distribution Units</b>				
Group 1	0.1381	—	0.1381	—
Group 2	—	0.1381	0.1381	—

	2nd Interim dividend distribution in pence per unit		Period 16/09/16 to 15/10/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/11/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1368	—	0.1368	—
Group 2	0.0279	0.1089	0.1368	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1404	—	0.1404	—
Group 2	0.0315	0.1089	0.1404	—
<b>C-Class Distribution Units</b>				
Group 1	0.1368	—	0.1368	—
Group 2	0.0232	0.1136	0.1368	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1403	—	0.1403	—
Group 2	0.0074	0.1329	0.1403	—
<b>L-Class Distribution Units</b>				
Group 1	0.1371	—	0.1371	—
Group 2	—	0.1371	0.1371	—
	3rd Interim dividend distribution in pence per unit		Period 16/10/16 to 15/11/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/12/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1327	—	0.1327	—
Group 2	0.0412	0.0915	0.1327	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1367	—	0.1367	—
Group 2	0.0422	0.0945	0.1367	—
<b>C-Class Distribution Units</b>				
Group 1	0.1328	—	0.1328	—
Group 2	0.0618	0.0710	0.1328	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1367	—	0.1367	—
Group 2	0.0051	0.1316	0.1367	—
<b>L-Class Distribution Units</b>				
Group 1	0.1331	—	0.1331	—
Group 2	—	0.1331	0.1331	—

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 4 Fund

## Distribution Tables continued

4th Interim dividend distribution in pence per unit					6th Interim dividend distribution in pence per unit		7th Interim dividend distribution in pence per unit	
			Period		Period		Period	
			16/11/16 to 15/12/16		16/01/17 to 15/02/17		16/02/17 to 15/03/17	
Net			Distribution	Distribution	Net		Distribution	Distribution
Revenue			14/01/17	N/A*	Revenue	Equalisation	14/03/17	14/03/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1110	—	0.1110	—	Group 1	0.1102	—	0.1102
Group 2	—	0.1110	0.1110	—	Group 2	—	0.1102	0.1102
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1145	—	0.1145	—	Group 1	0.1143	—	0.1143
Group 2	—	0.1145	0.1145	—	Group 2	—	0.1143	0.1143
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1111	—	0.1111	—	Group 1	0.1103	—	0.1103
Group 2	—	0.1111	0.1111	—	Group 2	—	0.1103	0.1103
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1146	—	0.1146	—	Group 1	0.1146	—	0.1146
Group 2	—	0.1146	0.1146	—	Group 2	—	0.1146	0.1146
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1113	—	0.1113	—	Group 1	0.1106	—	0.1106
Group 2	—	0.1113	0.1113	—	Group 2	—	0.1106	0.1106
<b>5th Interim dividend distribution in pence per unit</b>					<b>6th Interim dividend distribution in pence per unit</b>			
			Period		Period		Period	
			16/12/16 to 15/01/17		16/01/17 to 15/02/17		16/02/17 to 15/03/17	
Net			Distribution	Distribution	Net		Distribution	Distribution
Revenue			14/02/17	14/02/16	Revenue	Equalisation	14/04/17	14/04/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1104	—	0.1104	0.1484	Group 1	0.1126	—	0.1126
Group 2	—	0.1104	0.1104	0.1484	Group 2	0.0170	0.0956	0.1126
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1139	—	0.1139	0.1485	Group 1	0.1170	—	0.1170
Group 2	—	0.1139	0.1139	0.1485	Group 2	0.0194	0.0976	0.1170
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1105	—	0.1105	0.1476	Group 1	0.1127	—	0.1127
Group 2	—	0.1105	0.1105	0.1476	Group 2	0.0352	0.0775	0.1127
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1139	—	0.1139	0.1472	Group 1	0.1171	—	0.1171
Group 2	—	0.1139	0.1139	0.1472	Group 2	0.0023	0.1148	0.1171
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1107	—	0.1107	0.1472	Group 1	0.1130	—	0.1130
Group 2	—	0.1107	0.1107	0.1472	Group 2	—	0.1130	0.1130

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 4 Fund

## Distribution Tables continued

8th Interim dividend distribution in pence per unit			Period		10th Interim dividend distribution in pence per unit		Period	
			16/03/17 to 15/04/17		16/05/17 to 15/06/17		16/05/17 to 15/06/17	
Net			Distribution	Distribution	Net		Distribution	Distribution
Revenue	Equalisation		14/05/17	14/05/16	Revenue	Equalisation	14/07/17	14/07/16
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>			
Group 1	0.0425	—	0.0425	—	Group 1	0.1158	0.1158	—
Group 2	—	0.0425	0.0425	—	Group 2	—	0.1158	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>			
Group 1	0.0425	—	0.0425	—	Group 1	0.1174	0.1174	—
Group 2	—	0.0425	0.0425	—	Group 2	—	0.1174	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.0425	—	0.0425	—	Group 1	0.1275	0.1275	0.1418
Group 2	—	0.0425	0.0425	—	Group 2	—	0.1275	0.1418
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1141	—	0.1141	0.1476	Group 1	0.1334	0.1334	0.1441
Group 2	0.0472	0.0669	0.1141	0.1476	Group 2	—	0.1334	0.1441
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1187	—	0.1187	0.1485	Group 1	0.1276	0.1276	0.1417
Group 2	0.0408	0.0779	0.1187	0.1485	Group 2	—	0.1276	0.1417
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1142	—	0.1142	0.1473	Group 1	0.1336	0.1336	0.1440
Group 2	0.0333	0.0809	0.1142	0.1473	Group 2	—	0.1336	0.1440
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1187	—	0.1187	0.1484	Group 1	0.1280	0.1280	0.1417
Group 2	0.0353	0.0834	0.1187	0.1484	Group 2	—	0.1280	0.1417
<b>L-Class Accumulation Units</b>					<b>L-Class Accumulation Units</b>			
Group 1	0.1144	—	0.1144	0.1458				
Group 2	—	0.1144	0.1144	0.1458				
9th Interim dividend distribution in pence per unit			Period		11th Interim dividend distribution in pence per unit		Period	
Net			16/04/17 to 15/05/17		Net		16/06/17 to 15/07/17	
Revenue			Distribution	Distribution	Revenue		Distribution	Distribution
Equalisation			14/06/17	14/06/16	Equalisation		14/08/17	14/08/16
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>			
Group 1	0.1199	—	0.1199	—	Group 1	0.1174	0.1174	—
Group 2	—	0.1199	0.1199	—	Group 2	—	0.1174	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>			
Group 1	0.1201	—	0.1201	—	Group 1	0.1181	0.1181	—
Group 2	—	0.1201	0.1201	—	Group 2	—	0.1181	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1334	—	0.1334	0.1517	Group 1	0.1280	0.1280	0.1387
Group 2	0.0377	0.0957	0.1334	0.1517	Group 2	—	0.1280	0.1387
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1392	—	0.1392	0.1536	Group 1	0.1342	0.1342	0.1415
Group 2	0.0389	0.1003	0.1392	0.1536	Group 2	—	0.1342	0.1415
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1335	—	0.1335	0.1516	Group 1	0.1282	0.1282	0.1385
Group 2	0.0287	0.1048	0.1335	0.1516	Group 2	—	0.1282	0.1385
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1393	—	0.1393	0.1532	Group 1	0.1353	0.1353	0.1407
Group 2	—	0.1393	0.1393	0.1532	Group 2	—	0.1353	0.1407
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1340	—	0.1340	0.1514	Group 1	0.1312	0.1312	0.1373
Group 2	—	0.1340	0.1340	0.1514	Group 2	—	0.1312	0.1373

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 4 Fund

## Distribution Tables continued

Final dividend distribution in pence per unit	Net		Period	
			16/07/17 to 15/08/17	
	Revenue	Equalisation	Distribution 14/09/17	Distribution 14/09/16
<b>R-Class Distribution Units*</b>				
Group 1	0.2693	—	0.2693	—
Group 2	—	0.2693	0.2693	—
<b>R-Class Accumulation Units*</b>				
Group 1	0.2713	—	0.2713	—
Group 2	0.1306	0.1407	0.2713	—
<b>I-Class Distribution Units</b>				
Group 1	0.2965	—	0.2965	0.1708
Group 2	0.1186	0.1779	0.2965	0.1708
<b>I-Class Accumulation Units</b>				
Group 1	0.3128	—	0.3128	0.1744
Group 2	0.0909	0.2219	0.3128	0.1744
<b>C-Class Distribution Units</b>				
Group 1	0.2978	—	0.2978	0.1703
Group 2	0.1101	0.1877	0.2978	0.1703
<b>C-Class Accumulation Units</b>				
Group 1	0.3119	—	0.3119	0.1739
Group 2	0.0732	0.2387	0.3119	0.1739
<b>L-Class Distribution Units</b>				
Group 1	0.2978	—	0.2978	0.1689
Group 2	—	0.2978	0.2978	0.1689

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 4 Fund

## Sub-fund Information

The Comparative Tables on pages 64 to 67 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.23
Operating charges (calculated on average price)	(0.16)
Return after operating charges*	1.07
Distributions on income units	(0.66)
Closing net asset value per unit	50.41

\* after direct transaction costs of: —

#### Performance

Return after charges 2.14%

#### Other Information

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

#### Prices

Highest unit price	51.22p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index Income 4 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.23
Operating charges (calculated on average price)	(0.16)
Return after operating charges*	1.07
Distributions	(0.67)
Retained distributions on accumulation units	0.67
Closing net asset value per unit	51.07
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	2.14%
<b>Other Information</b>	
Closing net asset value (£)	11,048
Closing number of units	21,632
Operating charges†	0.80%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest unit price	51.43p
Lowest unit price	50.00p

<sup>^</sup> R-Class launched 27 March 2017.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.32	50.00
Return before operating charges*	2.52	5.69
Operating charges (calculated on average price)	(0.19)	(0.14)
Return after operating charges*	2.33	5.55
Distributions on income units	(1.65)	(1.23)
Closing net asset value per unit	55.00	54.32
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	4.29%	11.10%
<b>Other Information</b>		
Closing net asset value (£)	9,967,871	3,352,845
Closing number of units	18,122,384	6,172,039
Operating charges†	0.35%	0.35%
Direct transaction costs	0.00%	0.00%

#### Prices

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

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index Income 4 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	55.67	50.00
Return before operating charges*	2.63	5.81
Operating charges (calculated on average price)	(0.20)	(0.14)
Return after operating charges*	2.43	5.67
Distributions Retained distributions on accumulation units	(1.72)	(1.25)
	1.72	1.25
Closing net asset value per unit	58.10	55.67
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	4.37%	11.34%
<b>Other Information</b>		
Closing net asset value (£)	6,582,623	3,145,538
Closing number of units	11,328,890	5,649,985
Operating charges†	0.35%	0.35%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	58.51p	56.04p
Lowest unit price	53.74p	47.76p

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.35	50.00
Return before operating charges*	2.52	5.68
Operating charges (calculated on average price)	(0.15)	(0.10)
Return after operating charges*	2.37	5.58
Distributions on income units	(1.65)	(1.23)
Closing net asset value per unit	55.07	54.35
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	4.36%	11.16%
<b>Other Information</b>		
Closing net asset value (£)	4,365,836	1,594,865
Closing number of units	7,928,453	2,934,202
Operating charges†	0.28%	0.28%
Direct transaction costs	0.00%	0.00%

#### Prices

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

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

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# Legal & General Multi-Index Income 4 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	55.70	50.00
Return before operating charges*	2.63	5.80
Operating charges (calculated on average price)	(0.16)	(0.10)
Return after operating charges*	2.47	5.70
Distributions	(1.72)	(1.24)
Retained distributions on accumulation units	1.72	1.24
Closing net asset value per unit	58.17	55.70
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	4.43%	11.40%
<b>Other Information</b>		
Closing net asset value (£)	1,488,025	481,512
Closing number of units	2,558,245	864,473
Operating charges†	0.28%	0.28%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	58.57p	56.06p
Lowest unit price	53.78p	47.77p

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

† 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. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.43	50.00
Return before operating charges*	2.48	5.68
Operating charges (calculated on average price)	(0.05)	(0.03)
Return after operating charges*	2.43	5.65
Distributions on income units	(1.66)	(1.22)
Closing net asset value per unit	55.20	54.43
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	4.46%	11.30%
<b>Other Information</b>		
Closing net asset value (£)	1,466	5,444,155
Closing number of units	2,656	10,002,000
Operating charges†	0.10%	0.10%
Direct transaction costs	0.00%	0.00%

#### Prices

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

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

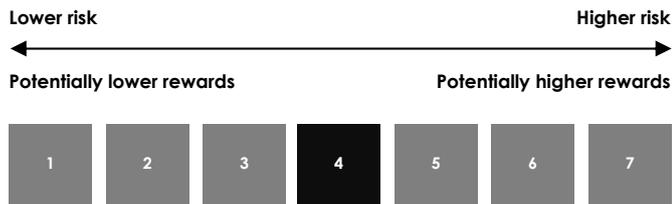
**Past performance is not a guide to future performance.**

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# Legal & General Multi-Index Income 4 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. The result is that this Sub-fund is lower risk than one investing only in company shares and higher risk than one investing only in investment grade bonds. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index 5 Fund

## Manager's Investment Report

### Investment Objective and Policy

With effect from 3 July 2017, the Sub-fund's Investment Objective and Policy has changed (please see Significant Changes section on page 172).

#### Prior to 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure mainly to equities, with some exposure to fixed income securities (both government and non-government) and cash, and property.

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 5.

#### From 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

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

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 5.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's F-Class accumulation units rose by 8.07%.

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### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 outperformed their conventional counterparts.

# Legal & General Multi-Index 5 Fund

## Manager's Investment Report continued

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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the period as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK, European and US equities contributed to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrowed and yields climbed, we added to Sub-fund duration and have begun gradually decreasing the Sub-fund's exposure to high yield debt. We also re-allocated a portion of our broad emerging market equity exposure into Indian equities where we see encouraging progress in the country's structural reforms. In order to manage political event risk more effectively, we reduced Sterling exposure prior in favour of the US Dollar.

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally. We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

We reduced exposure to the UK within the equities portion of the Sub-fund in favour of other regions.

## Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index 5 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 22.32% (27.90%)</b>			
4,282,423	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>1</sup>	5,314,486	0.87
6,268,270	Legal & General All Stocks Index Linked Gilt Index Trust 'I' Inc <sup>1</sup>	7,358,948	1.21
50,715,270	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	83,071,612	13.65
22,742,988	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	12,319,877	2.03
15,783,579	Legal & General UK Property Fund 'L' Inc <sup>1</sup>	27,750,820	4.56
		<b>135,815,743</b>	<b>22.32</b>
<b>Continental Europe — 8.53% (8.98%)</b>			
11,186,761	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>1</sup>	12,162,247	2.00
13,738,946	Legal & General European Index Trust 'I' Inc <sup>1</sup>	39,760,510	6.53
		<b>51,922,757</b>	<b>8.53</b>
<b>North America — 13.40% (13.09%)</b>			
21,127,009	Legal & General US Index Trust 'I' Inc <sup>1</sup>	81,550,254	13.40
<b>Pacific — 3.21% (4.08%)</b>			
17,908,945	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	19,538,659	3.21
<b>Japan — 6.15% (6.05%)</b>			
71,135,625	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	37,388,884	6.15
<b>Global — 26.09% (28.21%)</b>			
57,627,758	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>1</sup>	30,196,945	4.96
25,966,011	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	16,161,245	2.66
41,731,860	Legal & General High Income Trust 'I' Inc <sup>1</sup>	21,082,936	3.46
105,724,473	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	60,516,688	9.95
25,106,300	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	30,772,793	5.06
		<b>158,730,607</b>	<b>26.09</b>
<b>Emerging Markets — 13.53% (7.40%)</b>			
34,645,370	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	21,570,207	3.55
62,680,602	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	36,755,905	6.04
42,230,169	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	23,961,398	3.94
		<b>82,287,510</b>	<b>13.53</b>
<b>FUTURES — -0.19% (-1.17%)</b>			
150	Australia 10 Year Future Expiry September 2017	(116,291)	(0.02)
(23)	LIFFE Long Gilt Future Expiry September 2017	(30,360)	—
52	ASX SPI 200 Future Expiry September 2017	60,490	0.01
(63)	EMINI S&P 500 Future Expiry September 2017	9,921	—
301	Euro Stoxx 50 Future Expiry September 2017	(104,128)	(0.02)
(316)	FTSE 100 Future Expiry September 2017	(45,763)	(0.01)
10	FTSE 250 Index ICF Future Expiry September 2017	800	—
46	Mini MSCI Emerging Markets Index Future Expiry September 2017	(17,183)	—
100	Russell 2000 Future Expiry September 2017	(209,245)	(0.03)
283	SGX Nifty 50 Index Future Expiry August 2017	(75,185)	(0.01)
226	Stoxx 600 Oil & Gas Future Expiry September 2017	(7,923)	—
693	Stoxx 600 Utilities Future Expiry September 2017	(38,664)	(0.01)
102	XAE Energy Future Expiry September 2017	(234,451)	(0.04)
216	XAU Utilities Future Expiry September 2017	185,587	0.03
(109)	AUD/USD Currency Future Expiry September 2017	(194,316)	(0.03)
78	EUR/GBP Currency Future Expiry September 2017	101,993	0.02
(204)	EUR/USD Currency Future Expiry September 2017	(313,807)	(0.05)
628	GBP/USD Currency Future Expiry September 2017	(183,091)	(0.03)
170	INR/USD Currency Future Expiry August 2017	22,920	—
512	USD/KRW Currency Future Expiry September 2017	20,263	—
		<b>(1,168,433)</b>	<b>(0.19)</b>

# Legal & General Multi-Index 5 Fund

## Portfolio Statement continued

	<b>Market Value £</b>	<b>% of Net Assets</b>
<b>Portfolio of investments<sup>2</sup></b>	566,065,981	93.04
<b>Net other assets<sup>3</sup></b>	42,315,510	6.96
<b>Total net assets</b>	<u>£608,381,491</u>	<u>100.00%</u>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £22,237,577 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £227,929,120.

Total sales for the year: £27,677,358.

# Legal & General Multi-Index 5 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	16/08/16 to 15/08/17		16/06/15 to 15/08/16*	
	£	£	£	£
<b>Income</b>				
Net capital gains	3	26,376,217	28,977,076	
Revenue	4	12,992,008	7,520,520	
Expenses	5	(1,386,261)	(868,745)	
Interest payable and similar charges	7	<u>(3,770)</u>	<u>(988)</u>	
Net revenue before taxation		11,601,977	6,650,787	
Taxation	6	<u>(1,130,615)</u>	<u>(491,723)</u>	
Net revenue after taxation for the year		<u>10,471,362</u>	<u>6,159,064</u>	
Total return before distributions		36,847,579	35,136,140	
Distributions	7	<u>(10,480,730)</u>	<u>(6,164,518)</u>	
Change in net assets attributable to Unitholders from investment activities		<u>£26,366,849</u>	<u>£28,971,622</u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17		16/06/15 to 15/08/16*	
	£	£	£	£
Opening net assets attributable to Unitholders		355,493,034	156,648,470	
Amounts received on issue of units		222,609,338	171,208,228	
Amounts paid on cancellation of units		<u>(7,218,093)</u>	<u>(7,536,788)</u>	
		215,391,245	163,671,440	
Change in net assets attributable to Unitholders from investment activities		26,366,849	28,971,622	
Retained distributions on accumulation units		<u>11,130,363</u>	<u>6,201,502</u>	
Closing net assets attributable to Unitholders		<u>£608,381,491</u>	<u>£355,493,034</u>	

## Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	567,636,388	340,307,675
<b>Current assets:</b>		
Debtors	8 7,056,128	3,539,493
Cash and bank balances	9 16,326,155	11,208,509
Cash equivalents	9 <u>22,237,577</u>	<u>5,670,220</u>
<b>Total assets</b>	<b><u>613,256,248</u></b>	<b><u>360,725,897</u></b>
<b>LIABILITIES</b>		
Investment liabilities	(1,570,407)	(4,217,010)
<b>Creditors:</b>		
Bank overdrafts	9 (2,932)	(209,078)
Distributions payable	(453,173)	(73,774)
Other creditors	10 <u>(2,848,245)</u>	<u>(733,001)</u>
<b>Total liabilities</b>	<b><u>(4,874,757)</u></b>	<b><u>(5,232,863)</u></b>
<b>Net assets attributable to Unitholders</b>	<b><u>£608,381,491</u></b>	<b><u>£355,493,034</u></b>

\* The accounting year end date changed from 15 June to 15 August 2016.

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	24,485,121	35,902,242
Non-derivative securities (realised) <sup>1</sup>	2,237,419	(285,201)
Derivative securities (unrealised) <sup>1</sup>	2,975,217	(4,204,512)
Derivative securities (realised) <sup>1</sup>	(3,324,566)	(2,793,332)
Currency (losses)/gains	(44,104)	330,609
Management fee rebates	47,130	27,270
Net capital gains	<u>26,376,217</u>	<u>28,977,076</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
UK Franked distributions	5,996,032	4,219,426
Interest distributions	5,435,762	2,262,731
Management fee rebates	334,356	217,415
Property Income distributions	825,446	750,257
Futures revenue	398,026	67,058
Bank interest	2,386	3,633
	<u>12,992,008</u>	<u>7,520,520</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>1,386,261</u>	<u>868,745</u>
Total expenses	<u>1,386,261</u>	<u>868,745</u>

Audit fees of £7,920 plus VAT of £1,584 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £7,800 plus VAT of £1,560.

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Corporation Tax	1,130,615	491,723
Current tax [note 6(b)]	1,130,615	491,723
Deferred tax [note 6(c)]	—	—
Total taxation	<u>1,130,615</u>	<u>491,723</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	11,601,977	6,650,787
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	2,320,395	1,330,157
<b>Effects of:</b>		
Revenue not subject to taxation	(1,199,206)	(843,884)
Capitalised revenue subject to taxation	9,426	5,450
Current tax	<u>1,130,615</u>	<u>491,723</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Interim distributions	4,830,602	5,652,618
Final distribution	<u>7,090,413</u>	<u>1,022,753</u>
	11,921,015	6,675,371
Add: Revenue deducted on cancellation of units	41,945	28,720
Less: Revenue received on creation of units	<u>(1,482,230)</u>	<u>(539,573)</u>
<b>Distributions for the year</b>	<b>10,480,730</b>	<b>6,164,518</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>3,770</u>	<u>988</u>
	<u>10,484,500</u>	<u>6,165,506</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Net revenue after taxation for the year	10,471,362	6,159,064
Equalisation uplift on unit conversions	(58)	4
Add: Tax effect of capitalised revenue	<u>9,426</u>	<u>5,450</u>
<b>Distributions for the year</b>	<b>10,480,730</b>	<b>6,164,518</b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	1,909,661	1,315,459
Amounts receivable for creation of units	5,067,330	1,827,988
CIS tax recoverable	19,933	355,399
Management fee rebates	<u>59,204</u>	<u>40,647</u>
	<u>7,056,128</u>	<u>3,539,493</u>

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts due to futures clearing houses and brokers	6,050,076	6,111,667
Cash and bank balances	10,276,079	5,096,842
Bank overdrafts	(2,932)	(209,078)
Cash equivalents	<u>22,237,577</u>	<u>5,670,220</u>
Net uninvested cash	<u>38,560,800</u>	<u>16,669,651</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	104,270	62,904
Corporation tax payable	529,115	491,723
Amounts payable for cancellation of units	64,860	178,374
Purchases awaiting settlement	<u>2,150,000</u>	<u>—</u>
	<u>2,848,245</u>	<u>733,001</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 69.

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 71. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £28,303,299 (15 August 2016: £16,804,533).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £225,731,155 (37.10% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £311,608 (15 August 2016: £160,104).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	(6,111)	(56)	(6,167)
Euro	(12,612)	(151)	(12,763)
Indian Rupee	4,117	—	4,117
South-Korean Won	(3,726)	—	(3,726)
US dollar	(12,282)	(340)	(12,622)

15/08/16 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(4,235)	—	(4,235)
Euro	464	(230)	234
Japanese Yen	(10,726)	5	(10,721)
South-Korean Won	(125)	14	(111)
US Dollar	4,614	(3,639)	975

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued (g) Fair value

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £32,120,097 (15 August 2016: £11,715,875), representing 5.28% of the net asset value (15 August 2016: £3.29%).

This results in an effective equity exposure at the year end of 98.32% (15 August 2016: 91.25%) of net assets, which means that the gains or losses of the Sub-fund will be 0.9832 (15 August 2016: 0.9125) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	401,974	(1,570,407)
Level 2 – Observable Market Data	567,234,414	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>567,636,388</b>	<b>(1,570,407)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	73,359	(4,217,010)
Level 2 – Observable Market Data	340,234,316	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>340,307,675</b>	<b>(4,217,010)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	227,919	—	—	10	—	227,929
<b>Total</b>	<b>227,919</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>—</b>	<b>227,929</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	27,677	—	—	—	—	27,677
<b>Total</b>	<b>27,677</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27,677</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	178,976	—	—	19	0.01	178,995
<b>Total</b>	<b>178,976</b>	<b>—</b>	<b>—</b>	<b>19</b>	<b>0.01</b>	<b>178,995</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	19,751	—	—	—	—	19,751
<b>Total</b>	<b>19,751</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,751</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.55% (15 August 2016: 0.70%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 83 to 87. The distributions per unit class are given in the distribution tables on pages 81 to 82. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	37,080	577,340
Units cancelled	—	(36,730)
Units converted	—	—
Closing Units	37,080	540,610

F-Class	Distribution	Accumulation
Opening Units	1,351	2,647,967
Units issued	—	329,005
Units cancelled	—	(368,288)
Units converted	—	—
Closing Units	1,351	2,608,684

I-Class	Distribution	Accumulation
Opening Units	32,690,247	386,395,895
Units issued	19,041,620	274,547,024
Units cancelled	(4,531,518)	(298,741)
Units converted	—	1,261,949
Closing Units	47,200,349	661,906,127

C-Class	Distribution	Accumulation
Opening Units	9,048,098	118,123,032
Units issued	4,522,147	31,594,950
Units cancelled	(1,641,548)	(4,169,940)
Units converted	—	(1,259,794)
Closing Units	11,928,697	144,288,248

L-Class	Distribution
Opening Units	1,552
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	1,552

# Legal & General Multi-Index 5 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 3.02% (4.71% as at 15 August 2016) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 70.41p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 70.55p. This represents an increase of 0.20% from the year end value.

# Legal & General Multi-Index 5 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/02/17	
	Net		Distribution	Distribution
	Revenue	Equalisation	15/04/17	15/02/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	0.5973	—	0.5973	0.5780
Group 2	—	0.5973	0.5973	0.5780
<b>F-Class Accumulation Units</b>				
Group 1	0.6290	—	0.6290	0.5956
Group 2	0.0659	0.5631	0.6290	0.5956
<b>I-Class Distribution Units</b>				
Group 1	0.6573	—	0.6573	0.6224
Group 2	0.2053	0.4520	0.6573	0.6224
<b>I-Class Accumulation Units*</b>				
Group 1	0.6967	—	0.6967	0.6467
Group 2	0.2041	0.4926	0.6967	0.6467
<b>C-Class Distribution Units</b>				
Group 1	0.6790	—	0.6790	0.6397
Group 2	0.1801	0.4989	0.6790	0.6397
<b>C-Class Accumulation Units</b>				
Group 1	0.7215	—	0.7215	0.6620
Group 2	0.2345	0.4870	0.7215	0.6620
<b>L-Class Distribution Units</b>				
Group 1	0.7371	—	0.7371	0.6804
Group 2	—	0.7371	0.7371	0.6804

	2nd Interim dividend distribution in pence per unit		Period N/A*	
	Net		Distribution	Distribution
	Revenue	Equalisation	N/A	14/08/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	—	—	—	0.4951
Group 2	—	—	—	0.4951
<b>F-Class Accumulation Units</b>				
Group 1	—	—	—	0.5156
Group 2	—	—	—	0.5156
<b>I-Class Distribution Units</b>				
Group 1	—	—	—	0.5379
Group 2	—	—	—	0.5379
<b>I-Class Accumulation Units</b>				
Group 1	—	—	—	0.5637
Group 2	—	—	—	0.5637
<b>C-Class Distribution Units</b>				
Group 1	—	—	—	0.5540
Group 2	—	—	—	0.5540
<b>C-Class Accumulation Units</b>				
Group 1	—	—	—	0.5805
Group 2	—	—	—	0.5805
<b>L-Class Distribution Units</b>				
Group 1	—	—	—	0.5876
Group 2	—	—	—	0.5876

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 5 Fund

## Distribution Tables continued

	Final dividend distribution in pence per unit		Period	
	Net		16/02/17 to 15/08/17*	
	Revenue	Equalisation	Distribution 15/10/17	Distribution 15/10/16*
<b>R-Class Distribution Units**</b>				
Group 1	0.4491	—	0.4491	—
Group 2	0.1411	0.3080	0.4491	—
<b>R-Class Accumulation Units**</b>				
Group 1	0.4515	—	0.4515	—
Group 2	0.1457	0.3058	0.4515	—
<b>F-Class Distribution Units</b>				
Group 1	0.7017	—	0.7017	0.1606
Group 2	—	0.7017	0.7017	0.1606
<b>F-Class Accumulation Units</b>				
Group 1	0.7462	—	0.7462	0.1684
Group 2	0.1956	0.5506	0.7462	0.1684
<b>I-Class Distribution Units</b>				
Group 1	0.7622	—	0.7622	0.1756
Group 2	0.4019	0.3603	0.7622	0.1756
<b>I-Class Accumulation Units</b>				
Group 1	0.8165	—	0.8165	0.1858
Group 2	0.4099	0.4066	0.8165	0.1858
<b>C-Class Distribution Units</b>				
Group 1	0.7811	—	0.7811	0.1807
Group 2	0.3038	0.4773	0.7811	0.1807
<b>C-Class Accumulation Units</b>				
Group 1	0.8390	—	0.8390	0.1917
Group 2	0.4254	0.4136	0.8390	0.1917
<b>L-Class Distribution Units</b>				
Group 1	0.8434	—	0.8434	0.1958
Group 2	—	0.8434	0.8434	0.1958

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 5 Fund

## Sub-fund Information

The Comparative Tables on pages 83 to 87 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.78
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.63
Distributions on income units	(0.45)
Closing net asset value per unit	51.18
* after direct transaction costs of:	—

### Performance

Return after charges	3.26%
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### Other Information

Closing net asset value (£)	18,979
Closing number of units	37,080
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%

### Prices

Highest unit price	52.11p
Lowest unit price	49.79p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index 5 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.79
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.64
Distributions	(0.45)
Retained distributions on accumulation units	0.45
Closing net asset value per unit	51.64
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	3.28%
<b>Other Information</b>	
Closing net asset value (£)	279,163
Closing number of units	540,610
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest unit price	52.11p
Lowest unit price	49.80p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

### F-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.36	56.55	52.78
Return before operating charges*	5.17	6.32	4.95
Operating charges (calculated on average price)	(0.32)	(0.28)	(0.28)
Return after operating charges*	4.85	6.04	4.67
Distributions on income units	(1.30)	(1.23)	(0.90)
Closing net asset value per unit	64.91	61.36	56.55
* after direct transaction costs of:	—	—	—
<b>Performance</b>			
Return after charges	7.90%	10.68%	8.85%
<b>Other Information</b>			
Closing net asset value (£)	877	829	764
Closing number of units	1,351	1,351	1,351
Operating charges <sup>†</sup>	0.50%	0.50%	0.50%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	66.29p	61.94p	59.45p
Lowest unit price	59.82p	51.96p	51.82p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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

# Legal & General Multi-Index 5 Fund

## Comparative Tables continued

### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	64.68	58.38	53.56
Return before operating charges*	5.56	6.59	5.11
Operating charges (calculated on average price)	(0.33)	(0.29)	(0.29)
Return after operating charges*	5.23	6.30	4.82
Distributions	(1.38)	(1.27)	(0.92)
Retained distributions on accumulation units	1.38	1.27	0.92
Closing net asset value per unit	69.91	64.68	58.38

\* after direct transaction costs of: — — —

#### Performance

Return after charges 8.09% 10.78% 9.00%

#### Other Information

Closing net asset value (£)	1,823,769	1,712,591	1,057,134
Closing number of units	2,608,684	2,647,967	1,810,637
Operating charges†	0.50%	0.50%	0.50%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	70.53p	65.14p	60.88p
Lowest unit price	63.09p	54.15p	52.61p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.33	56.58	52.75
Return before operating charges*	5.23	6.25	5.01
Operating charges (calculated on average price)	(0.20)	(0.17)	(0.17)
Return after operating charges*	5.03	6.08	4.84
Distributions on income units	(1.42)	(1.33)	(1.01)
Closing net asset value per unit	64.94	61.33	56.58

\* after direct transaction costs of: — — —

#### Performance

Return after charges 8.20% 10.75% 9.18%

#### Other Information

Closing net asset value (£)	30,651,312	20,049,133	9,726,745
Closing number of units	47,200,349	32,690,247	17,191,943
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	66.27p	61.95p	59.45p
Lowest unit price	59.81p	51.96p	51.85p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 5 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	65.03	58.60	53.65
Return before operating charges*	5.59	6.61	5.13
Operating charges (calculated on average price)	(0.21)	(0.18)	(0.18)
Return after operating charges*	5.38	6.43	4.95
Distributions Retained distributions on accumulation units	(1.51)	(1.39)	(1.03)
	1.51	1.39	1.03
Closing net asset value per unit	70.41	65.03	58.60

\* after direct transaction costs of: — — —

#### Performance

Return after charges	8.27%	10.97%	9.23%
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#### Other Information

Closing net asset value (£)	466,064,453	251,265,263	113,905,619
Closing number of units	661,906,127	386,395,895	194,382,290
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	71.02p	65.50p	61.07p
Lowest unit price	63.44p	54.41p	52.73p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.30	56.56	52.74
Return before operating charges*	5.22	6.24	5.01
Operating charges (calculated on average price)	(0.15)	(0.13)	(0.14)
Return after operating charges*	5.07	6.11	4.87
Distributions on income units	(1.46)	(1.37)	(1.05)
Closing net asset value per unit	64.91	61.30	56.56

\* after direct transaction costs of: — — —

#### Performance

Return after charges	8.27%	10.80%	9.23%
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#### Other Information

Closing net asset value (£)	7,743,349	5,546,913	1,988,756
Closing number of units	11,928,697	9,048,098	3,516,179
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	66.26p	61.93p	59.44p
Lowest unit price	59.79p	51.94p	51.85p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 5 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	65.12	58.64	53.66
Return before operating charges*	5.59	6.62	5.12
Operating charges (calculated on average price)	(0.16)	(0.14)	(0.14)
Return after operating charges*	5.43	6.48	4.98
Distributions	(1.56)	(1.43)	(1.08)
Retained distributions on accumulation units	1.56	1.43	1.08
Closing net asset value per unit	70.55	65.12	58.64

\* after direct transaction costs of: — — —

#### Performance

Return after charges	8.34%	11.05%	9.28%
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#### Other Information

Closing net asset value (£)	101,798,581	76,917,353	29,968,574
Closing number of units	144,288,248	118,123,032	51,106,072
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	71.16p	65.58p	61.11p
Lowest unit price	63.53p	54.47p	52.75p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.34	56.57	52.77
Return before operating charges*	5.23	6.26	4.95
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.03)
Return after operating charges*	5.19	6.23	4.92
Distributions on income units	(1.58)	(1.46)	(1.12)
Closing net asset value per unit	64.95	61.34	56.57

\* after direct transaction costs of: — — —

#### Performance

Return after charges	8.46%	11.01%	9.32%
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#### Other Information

Closing net asset value (£)	1,008	952	878
Closing number of units	1,552	1,552	1,552
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	66.33p	61.99p	59.49p
Lowest unit price	59.84p	51.99p	51.88p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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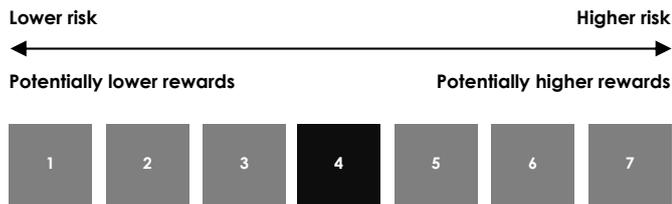
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# Legal & General Multi-Index 5 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, through other funds, in company shares, with some exposure to other asset types. Company shares generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index Income 5 Fund

## Manager's Investment Report

### Investment Objective and Policy

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

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

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

The Sub-fund may also invest directly in transferable securities (equity securities and fixed income securities), money market instruments, deposits, and cash and near cash. The Sub-fund may use derivatives for efficient portfolio management purposes only.

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic returns and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 5.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's I-Class accumulation units rose by 7.17%.

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### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy

stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the review year as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK equities and the UK equity income strategy led the early contributions to Sub-fund performance, followed by exposure to Asian equities. However, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrow, we have begun gradually decreasing the Sub-fund's exposure to global high yield debt in favour of local currency debt. We also re-allocated a portion of our broad emerging market equity exposure into Indian equities where we see encouraging progress in the country's structural reforms. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar.

# Legal & General Multi-Index Income 5 Fund

## Manager's Investment Report continued

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally, and hard currency exposures across Portugal, Croatia and Turkey.

### Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index Income 5 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in investment grade securities or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>GOVERNMENT BONDS:</b>		
	<b>Croatia — 0.37% (0.00%)</b>		
EUR100,000	Croatia Government International Bond 3% 20/03/2027 <sup>1</sup>	94,451	0.37
	<b>Portugal — 0.26% (0.00%)</b>		
EUR59,422	Portugal Government International Bond 4.95% 25/10/2023 <sup>1</sup>	64,459	0.26
	<b>Turkey — 0.39% (0.00%)</b>		
EUR100,000	Turkey Government International Bond 4.125% 11/04/2023 <sup>1</sup>	98,480	0.39
	<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>		
	<b>United Kingdom — 25.30% (27.66%)</b>		
247,401	iShares UK Dividend UCITS ETF	2,250,112	8.93
215,447	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>2</sup>	267,369	1.06
1,306,858	Legal & General UK Index Trust 'L' Inc <sup>2</sup>	2,140,633	8.50
513,119	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>2</sup>	277,957	1.10
2,682,317	Legal & General UK Property Fund 'L' Inc <sup>2</sup>	1,437,453	5.71
		6,373,524	25.30
	<b>Continental Europe — 9.58% (10.90%)</b>		
37,239	iShares EURO Dividend UCITS ETF	762,096	3.02
107,814	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>2</sup>	117,215	0.47
530,608	Legal & General European Index Trust 'I' Inc <sup>2</sup>	1,535,579	6.09
		2,414,890	9.58
	<b>North America — 5.55% (5.98%)</b>		
362,459	Legal & General US Index Trust 'I' Inc <sup>2</sup>	1,399,093	5.55
	<b>Pacific — 5.49% (4.44%)</b>		
17,822	iShares Asia Pacific Dividend UCITS ETF	415,074	1.65
888,296	Legal & General Pacific Index Trust 'I' Inc <sup>2</sup>	969,131	3.84
		1,384,205	5.49
	<b>Japan — 1.45% (2.14%)</b>		
696,795	Legal & General Japan Index Trust 'I' Inc <sup>2</sup>	366,235	1.45
	<b>Global — 33.18% (32.78%)</b>		
1,014,585	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>2</sup>	631,478	2.51
3,604,162	Legal & General High Income Trust 'I' Inc <sup>2</sup>	1,820,823	7.23
2,378,907	Legal & General Managed Monthly Income Trust 'I' Inc <sup>2</sup>	1,586,493	6.30
1,688,321	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc <sup>2</sup>	877,927	3.48
2,692,550	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>2</sup>	1,541,215	6.12
1,549,951	LGIM Global Corporate Bond Fund 'B' Acc <sup>2</sup>	1,899,776	7.54
		8,357,712	33.18
	<b>Emerging Markets — 17.23% (13.82%)</b>		
9,948	iShares Emerging Markets Dividend UCITS ETF	172,896	0.69
2,882,766	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>2</sup>	1,794,810	7.12
3,188,792	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>2</sup>	1,869,909	7.42
887,570	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>2</sup>	503,607	2.00
		4,341,222	17.23
	<b>FUTURES — -0.24% (-0.58%)</b>		
6	Australia 10 Year Future Expiry September 2017	3,515	0.01
(9)	LIFFE Long Gilt Future Expiry September 2017	(12,420)	(0.05)
1	EMINI S&P 500 Future Expiry September 2017	1,104	—
(3)	Euro Stoxx 50 Future Expiry September 2017	(300)	—
(11)	FTSE 100 Index Future Expiry September 2017	(117)	—
13	Mini MSCI Emerging Markets Index Future Expiry September 2017	(3,822)	(0.02)
7	SGX Nifty 50 Index Future Expiry August 2017	(1,486)	—
14	Stoxx 600 Oil & Gas Future Expiry September 2017	(491)	—
38	Stoxx 600 Utilities Future Expiry September 2017	2,406	0.01
3	XAE Energy Future Expiry September 2017	(7,745)	(0.03)
5	XAU Utilities Future Expiry September 2017	7,543	0.03
(8)	AUD/USD Currency Future Expiry September 2017	(17,850)	(0.07)
3	EUR/GBP Currency Future Expiry September 2017	8,655	0.03
(13)	EUR/USD Currency Future Expiry September 2017	(32,064)	(0.12)
7	GBP/USD Currency Future Expiry September 2017	(9,105)	(0.03)

# Legal & General Multi-Index Income 5 Fund

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>FUTURES — (cont.)</b>		
4	INR/USD Currency Future Expiry August 2017	521	—
24	USD/KRW Currency Future Expiry September 2017	950	—
		(60,706)	(0.24)
<b>Portfolio of investments<sup>3</sup></b>		24,833,565	98.56
<b>Net other assets<sup>4</sup></b>		362,722	1.44
<b>Total net assets</b>		£25,196,287	100.00%

<sup>1</sup> These are sub-investment grade fixed interest securities and represent 1.02% of the net assets of the Sub-fund.

<sup>2</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>3</sup> Including investment liabilities.

<sup>4</sup> Includes £10,000 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £11,389,198.

Total sales for the year: £150,000.

# Legal & General Multi-Index Income 5 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
<b>Income</b>		
Net capital gains	3 898,878	1,084,240
Revenue	4 700,126	232,861
Expenses	5 (49,477)	(10,357)
Interest payable and similar charges	7 (2,166)	(50)
Net revenue before taxation	648,483	222,454
Taxation	6 (72,582)	(20,503)
Net revenue after taxation for the year	575,901	201,951
Total return before distributions	1,474,779	1,286,191
Distributions	7 (676,964)	(239,769)
Change in net assets attributable to Unitholders from investment activities	<b>£797,815</b>	<b>£1,046,422</b>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
Opening net assets attributable to Unitholders	13,042,765	—
Amounts received on issue of units	18,702,567	14,544,466
Amounts paid on cancellation of units	(7,553,918)	(2,580,064)
	11,148,649	11,964,402
Change in net assets attributable to Unitholders from investment activities	797,815	1,046,422
Retained distributions on accumulation units	207,058	31,941
Closing net assets attributable to Unitholders	<b>£25,196,287</b>	<b>£13,042,765</b>

## Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	24,918,965	12,746,940
<b>Current assets:</b>		
Debtors	8 231,319	213,324
Cash and bank balances	9 398,134	274,980
Cash equivalents	9 10,000	—
<b>Total assets</b>	<b>25,558,418</b>	<b>13,235,244</b>
<b>LIABILITIES</b>		
Investment liabilities	(85,400)	(77,342)
<b>Creditors:</b>		
Bank overdrafts	9 (55)	(3,256)
Distributions payable	(93,606)	(48,613)
Other creditors	10 (183,070)	(63,268)
<b>Total liabilities</b>	<b>(362,131)</b>	<b>(192,479)</b>
<b>Net assets attributable to Unitholders</b>	<b>£25,196,287</b>	<b>£13,042,765</b>

\* The Sub-fund launched on 9 October 2015.

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	916,253	1,189,330
Non-derivative securities (realised) <sup>1</sup>	4,394	12,951
Derivative securities (unrealised) <sup>1</sup>	13,436	(74,143)
Derivative securities (realised) <sup>1</sup>	(44,381)	(56,116)
Currency gains	6,012	11,356
Management fee rebates	3,164	862
Net capital gains	<u>898,878</u>	<u>1,084,240</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Bond interest	1,865	—
UK Franked distributions	145,238	65,366
Interest distributions	332,796	89,229
Management fee rebates	17,961	6,063
Non-taxable overseas distributions	143,425	54,576
Property income distributions	44,084	17,627
Futures revenue	14,394	—
Bank interest	363	—
	<u>700,126</u>	<u>232,861</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>49,477</u>	<u>10,357</u>
Total expenses	<u>49,477</u>	<u>10,357</u>

Audit fees of £8,200 plus VAT of £1,640 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £8,080 plus VAT of £1,616.

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Corporation Tax	72,582	20,503
Current tax [note 6(b)]	72,582	20,503
Deferred tax [note 6(c)]	—	—
Total taxation	<u>72,582</u>	<u>20,503</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	648,483	222,454
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	129,697	44,491
<b>Effects of:</b>		
Revenue not subject to taxation	(57,747)	(23,988)
Capitalised revenue subject to taxation	632	—
Current tax	<u>72,582</u>	<u>20,503</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
1st Interim distribution	39,058	—
2nd Interim distribution	41,115	—
3rd Interim distribution	42,635	—
4th Interim distribution	38,254	—
5th Interim distribution	42,962	23,745
6th Interim distribution	47,968	25,107
7th Interim distribution	51,963	25,769
8th Interim distribution	56,324	29,556
9th Interim distribution	61,648	32,233
10th Interim distribution	66,089	31,053
11th Interim distribution	67,760	34,332
Final distribution	<u>148,756</u>	<u>57,128</u>
	704,532	258,923
Add: Revenue deducted on cancellation of units	21,522	7,129
Less: Revenue received on creation of units	<u>(49,090)</u>	<u>(26,283)</u>
<b>Distributions for the year</b>	<b>676,964</b>	<b>239,769</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	2,166	50
	<u>679,130</u>	<u>239,819</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Net revenue after taxation for the year	575,901	201,951
Add: Expenses charged to capital	49,477	10,357
Equalisation on underlying funds	60,849	29,360
Less: Tax relief on capital expenses	<u>(9,263)</u>	<u>(1,899)</u>
<b>Distributions for the year</b>	<b>676,964</b>	<b>239,769</b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	80,308	49,744
Amounts receivable for creation of units	140,000	39,858
CIS tax recoverable	9,692	11,428
Management fee rebates	1,319	2,294
Sales awaiting settlement	—	110,000
	<u>231,319</u>	<u>213,324</u>

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	240,651	113,906
Cash and bank balances	157,483	161,074
Amounts due to futures clearing houses and brokers	—	(3,256)
Bank overdrafts	(55)	—
Cash equivalents	10,000	—
Net uninvested cash	<u>408,079</u>	<u>271,724</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	2,994	2,767
Amounts payable for cancellation of units	46,994	39,998
Corporation tax payable	33,082	20,503
Purchases awaiting settlement	100,000	—
	<u>183,070</u>	<u>63,268</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 89.

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 91. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,241,678 (15 August 2016: £633,480).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in debt securities and underlying collective investment schemes that pay interest distribution. The market value of debt securities and any floating rate payments from debt securities held (and interest rate swaps) may fluctuate as a result of changes in interest rates. This risk is managed by the active monitoring and adjustment of the investments held directly by this Sub-fund and within each underlying Sub-fund that invests in debt securities, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £12,032,927 (47.76% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £930 (15 August 2016: £3,798).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(477)	4	(473)
Euro	(1,052)	259	(793)
Indian Rupee	97	—	97
South-Korean Won	(172)	—	(172)
US Dollar	1,439	(4)	1,435

15/08/16 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(239)	—	(239)
Euro	20	—	20
Japanese Yen	(192)	—	(192)
South-Korean Won	(5)	1	(4)
US Dollar	190	(75)	115

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The Sub-fund's investments in bonds expose it to the default risk of the bond issuer with regards interest payments and principal repayments. At the balance sheet date, the bonds held by the Sub-fund do not materially change the credit risk profile of the Sub-fund.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued (g) Fair value

### (d) Credit Risk continued

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to decrease the exposure of the Sub-fund by £214,742 (15 August 2016: £4,314), representing 0.85% of the net asset value (15 August 2016: £0.03%).

This results in an effective equity exposure at the year end of 99.42% (15 August 2016: 97.17%) of net assets, which means that the gains or losses of the Sub-fund will be 0.9942 (15 August 2016: 0.9717) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	3,624,872	(85,400)
Level 2 – Observable Market Data	21,294,093	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>24,918,965</b>	<b>(85,400)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	1,946,967	(77,342)
Level 2 – Observable Market Data	10,799,973	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>12,746,940</b>	<b>(77,342)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using observable inputs.

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Bonds	236	—	—	—	—	236
Collective Investment Schemes	11,152	—	—	1	0.01	11,153
<b>Total</b>	<b>11,388</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>0.01</b>	<b>11,389</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	150	—	—	—	—	150
<b>Total</b>	<b>150</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>150</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	11,836	—	—	—	—	11,836
<b>Total</b>	<b>11,836</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>11,836</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	264	—	—	—	—	264
<b>Total</b>	<b>264</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>264</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.86% (15 August 2016: 0.73%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 105 to 108. The distributions per unit class are given in the distribution tables on pages 101 to 104. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	7,913	56,926
Units cancelled	—	(11,753)
Units converted	—	—
Closing Units	7,913	45,173

I-Class	Distribution	Accumulation
Opening Units	7,699,887	2,647,081
Units issued	14,439,209	10,846,982
Units cancelled	(590,129)	(1,035,822)
Units converted	—	—
Closing Units	21,548,967	12,458,241

C-Class	Distribution	Accumulation
Opening Units	2,568,686	814,865
Units issued	4,496,804	3,255,901
Units cancelled	(780,009)	(946,840)
Units converted	—	—
Closing Units	6,285,481	3,123,926

L-Class	Distribution
Opening Units	10,002,000
Units issued	—
Units cancelled	(9,999,942)
Units converted	—
Closing Units	2,058

# Legal & General Multi-Index Income 5 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 0.03% (44.65% as at 15 August 2016) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 60.25p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 60.18p. This represents a decrease of 0.12% from the year end value.

# Legal & General Multi-Index Income 5 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/09/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/10/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1519	—	0.1519	—
Group 2	0.0927	0.0592	0.1519	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1561	—	0.1561	—
Group 2	0.0441	0.1120	0.1561	—
<b>C-Class Distribution Units</b>				
Group 1	0.1519	—	0.1519	—
Group 2	0.0418	0.1101	0.1519	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1562	—	0.1562	—
Group 2	0.0351	0.1211	0.1562	—
<b>L-Class Distribution Units</b>				
Group 1	0.1522	—	0.1522	—
Group 2	—	0.1522	0.1522	—

	2nd Interim dividend distribution in pence per unit		Period 16/09/16 to 15/10/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/11/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1501	—	0.1501	—
Group 2	0.0671	0.0830	0.1501	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1546	—	0.1546	—
Group 2	0.0272	0.1274	0.1546	—
<b>C-Class Distribution Units</b>				
Group 1	0.1501	—	0.1501	—
Group 2	0.0219	0.1282	0.1501	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1547	—	0.1547	—
Group 2	—	0.1547	0.1547	—
<b>L-Class Distribution Units</b>				
Group 1	0.1505	—	0.1505	—
Group 2	—	0.1505	0.1505	—
<b>3rd Interim dividend distribution in pence per unit</b>				
	Net		Period 16/10/16 to 15/11/16	
	Revenue		Distribution	Distribution
	Revenue	Equalisation	14/12/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1475	—	0.1475	—
Group 2	0.0291	0.1184	0.1475	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1523	—	0.1523	—
Group 2	0.0294	0.1229	0.1523	—
<b>C-Class Distribution Units</b>				
Group 1	0.1476	—	0.1476	—
Group 2	—	0.1476	0.1476	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1522	—	0.1522	—
Group 2	0.0177	0.1345	0.1522	—
<b>L-Class Distribution Units</b>				
Group 1	0.1479	—	0.1479	—
Group 2	—	0.1479	0.1479	—

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 5 Fund

## Distribution Tables continued

4th Interim dividend distribution in pence per unit			Period		6th Interim dividend distribution in pence per unit		Period	
			16/11/16 to 15/12/16		Net		16/01/17 to 15/02/17	
Net			Distribution	Distribution	Revenue	Equalisation	Distribution	Distribution
Revenue			14/01/17	N/A*	R-Class Distribution Units**		14/03/17	14/03/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1233	—	0.1233	—	Group 1	0.1236	—	0.1236
Group 2	—	0.1233	0.1233	—	Group 2	0.0061	0.1175	0.1236
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1277	—	0.1277	—	Group 1	0.1287	—	0.1287
Group 2	—	0.1277	0.1277	—	Group 2	—	0.1287	0.1784
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1233	—	0.1233	—	Group 1	0.1237	—	0.1237
Group 2	—	0.1233	0.1233	—	Group 2	0.0129	0.1108	0.1237
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1276	—	0.1276	—	Group 1	0.1289	—	0.1289
Group 2	—	0.1276	0.1276	—	Group 2	—	0.1289	0.1784
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1236	—	0.1236	—	Group 1	0.1241	—	0.1241
Group 2	—	0.1236	0.1236	—	Group 2	—	0.1241	0.1765
<b>5th Interim dividend distribution in pence per unit</b>			<b>Period</b>		<b>6th Interim dividend distribution in pence per unit</b>		<b>Period</b>	
Net			16/12/16 to 15/01/17		Net		16/02/17 to 15/03/17	
Revenue			Distribution	Distribution	Revenue	Equalisation	Distribution	Distribution
Equalisation			14/02/17	14/02/16	R-Class Distribution Units**		14/04/17	14/04/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1204	—	0.1204	0.1737	Group 1	0.1233	—	0.1233
Group 2	—	0.1204	0.1204	0.1737	Group 2	0.0566	0.0667	0.1233
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1243	—	0.1243	0.1740	Group 1	0.1287	—	0.1287
Group 2	—	0.1243	0.1243	0.1740	Group 2	0.0553	0.0734	0.1287
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1205	—	0.1205	0.1739	Group 1	0.1234	—	0.1234
Group 2	—	0.1205	0.1205	0.1739	Group 2	0.0786	0.0448	0.1234
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1247	—	0.1247	0.1748	Group 1	0.1288	—	0.1288
Group 2	—	0.1247	0.1247	0.1748	Group 2	0.0484	0.0804	0.1288
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1208	—	0.1208	0.1734	Group 1	0.1237	—	0.1237
Group 2	—	0.1208	0.1208	0.1734	Group 2	—	0.1237	0.1708

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 5 Fund

## Distribution Tables continued

8th Interim dividend distribution in pence per unit			Period		10th Interim dividend distribution in pence per unit		Period	
			16/03/17 to 15/04/17		16/05/17 to 15/06/17		16/05/17 to 15/06/17	
Net			Distribution	Distribution	Net		Distribution	Distribution
Revenue	Equalisation		14/05/17	14/05/16	Revenue	Equalisation	14/07/17	14/07/16
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>			
Group 1	0.0622	—	0.0622	—	Group 1	0.1377	0.1377	—
Group 2	—	0.0622	0.0622	—	Group 2	—	0.1377	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>			
Group 1	0.0618	—	0.0618	—	Group 1	0.1383	0.1383	—
Group 2	0.0492	0.0126	0.0618	—	Group 2	—	0.1383	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1305	—	0.1305	0.1584	Group 1	0.1542	0.1542	0.1523
Group 2	0.0461	0.0844	0.1305	0.1584	Group 2	—	0.1542	0.1523
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1365	—	0.1365	0.1606	Group 1	0.1621	0.1621	0.1548
Group 2	0.0417	0.0948	0.1365	0.1606	Group 2	—	0.1621	0.1548
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1306	—	0.1306	0.1583	Group 1	0.1543	0.1543	0.1517
Group 2	0.0183	0.1123	0.1306	0.1583	Group 2	—	0.1543	0.1517
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1366	—	0.1366	0.1595	Group 1	0.1622	0.1622	0.1543
Group 2	0.0493	0.0873	0.1366	0.1595	Group 2	—	0.1622	0.1543
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1309	—	0.1309	0.1572	Group 1	0.1548	0.1548	0.1503
Group 2	—	0.1309	0.1309	0.1572	Group 2	—	0.1548	0.1503
9th Interim dividend distribution in pence per unit			Period		11th Interim dividend distribution in pence per unit		Period	
Net			16/04/17 to 15/05/17		Net		16/06/17 to 15/07/17	
Revenue			Distribution	Distribution	Revenue		Distribution	Distribution
Equalisation			14/06/17	14/06/16	Equalisation		14/08/17	14/08/16
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>			
Group 1	0.1185	—	0.1185	—	Group 1	0.1420	0.1420	—
Group 2	—	0.1185	0.1185	—	Group 2	—	0.1420	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>			
Group 1	0.1174	—	0.1174	—	Group 1	0.1422	0.1422	—
Group 2	—	0.1174	0.1174	—	Group 2	—	0.1422	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1435	—	0.1435	0.1641	Group 1	0.1584	0.1584	0.1590
Group 2	—	0.1435	0.1435	0.1641	Group 2	—	0.1584	0.1590
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1503	—	0.1503	0.1662	Group 1	0.1665	0.1665	0.1620
Group 2	0.0074	0.1429	0.1503	0.1662	Group 2	—	0.1665	0.1620
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1438	—	0.1438	0.1635	Group 1	0.1584	0.1584	0.1583
Group 2	0.0229	0.1209	0.1438	0.1635	Group 2	—	0.1584	0.1583
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1504	—	0.1504	0.1653	Group 1	0.1666	0.1666	0.1614
Group 2	0.0213	0.1291	0.1504	0.1653	Group 2	—	0.1666	0.1614
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1429	—	0.1429	0.1620	Group 1	0.1593	0.1593	0.1572
Group 2	—	0.1429	0.1429	0.1620	Group 2	—	0.1593	0.1572

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 5 Fund

## Distribution Tables continued

Final dividend distribution in pence per unit	Period 16/07/17 to 15/08/17			
	Net		Distribution	Distribution
	Revenue	Equalisation	14/09/17	14/09/16
<b>R-Class Distribution Units*</b>				
Group 1	0.2979	—	0.2979	—
Group 2	0.0571	0.2408	0.2979	—
<b>R-Class Accumulation Units*</b>				
Group 1	0.2989	—	0.2989	—
Group 2	0.0269	0.2720	0.2989	—
<b>I-Class Distribution Units</b>				
Group 1	0.3360	—	0.3360	0.2408
Group 2	0.1010	0.2350	0.3360	0.2408
<b>I-Class Accumulation Units</b>				
Group 1	0.3525	—	0.3525	0.2460
Group 2	0.1231	0.2294	0.3525	0.2460
<b>C-Class Distribution Units</b>				
Group 1	0.3365	—	0.3365	0.2402
Group 2	0.0974	0.2391	0.3365	0.2402
<b>C-Class Accumulation Units</b>				
Group 1	0.3549	—	0.3549	0.2455
Group 2	0.1044	0.2505	0.3549	0.2455
<b>L-Class Distribution Units</b>				
Group 1	0.3367	—	0.3367	0.2389
Group 2	—	0.3367	0.3367	0.2389

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 5 Fund

## Sub-fund Information

The Comparative Tables on pages 105 to 108 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.52
Operating charges (calculated on average price)	(0.16)
Return after operating charges*	1.36
Distributions on income units	(0.76)
Closing net asset value per unit	50.60

\* after direct transaction costs of: —

#### Performance

Return after charges 2.72%

#### Other Information

Closing net asset value (£)	4,004
Closing number of units	7,913
Operating charges <sup>†</sup>	0.83%
Direct transaction costs	0.01%

#### Prices

Highest unit price	51.52p
Lowest unit price	49.87p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index Income 5 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges* Operating charges (calculated on average price)	1.52 (0.16)
Return after operating charges*	1.36
Distributions Retained distributions on accumulation units	(0.76) 0.76
Closing net asset value per unit	51.36
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	2.72%
<b>Other Information</b>	
Closing net asset value (£)	23,201
Closing number of units	45,173
Operating charges <sup>†</sup>	0.83%
Direct transaction costs	0.01%
<b>Prices</b>	
Highest unit price	51.78p
Lowest unit price	49.92p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.68	50.00
Return before operating charges* Operating charges (calculated on average price)	4.06 (0.21)	6.23 (0.16)
Return after operating charges*	3.85	6.07
Distributions on income units	(1.86)	(1.39)
Closing net asset value per unit	56.67	54.68
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	7.04%	12.14%
<b>Other Information</b>		
Closing net asset value (£)	12,211,657	4,210,594
Closing number of units	21,548,967	7,699,887
Operating charges <sup>†</sup>	0.38%	0.38%
Direct transaction costs	0.01%	0.00%
<b>Prices</b>		
Highest unit price	57.67p	55.31p
Lowest unit price	52.68p	46.60p

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

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index Income 5 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	56.22	50.00
Return before operating charges* Operating charges (calculated on average price)	4.25 (0.22)	6.38 (0.16)
Return after operating charges*	4.03	6.22
Distributions Retained distributions on accumulation units	(1.94) 1.94	(1.41) 1.41
Closing net asset value per unit	60.25	56.22
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	7.17%	12.44%
<b>Other Information</b>		
Closing net asset value (£)	7,506,178	1,488,263
Closing number of units	12,458,241	2,647,081
Operating charges <sup>†</sup>	0.38%	0.38%
Direct transaction costs	0.01%	0.00%
<b>Prices</b>		
Highest unit price	60.73p	56.62p
Lowest unit price	54.61p	46.77p

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

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.71	50.00
Return before operating charges* Operating charges (calculated on average price)	4.05 (0.17)	6.23 (0.13)
Return after operating charges*	3.88	6.10
Distributions	(1.86)	(1.39)
Closing net asset value per unit	56.73	54.71
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	7.09%	12.20%
<b>Other Information</b>		
Closing net asset value (£)	3,565,827	1,405,411
Closing number of units	6,285,481	2,568,686
Operating charges <sup>†</sup>	0.31%	0.31%
Direct transaction costs	0.01%	0.00%
<b>Prices</b>		
Highest unit price	57.73p	55.34p
Lowest unit price	52.72p	46.61p

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

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index Income 5 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	56.25	50.00
Return before operating charges* Operating charges (calculated on average price)	4.25 (0.18)	6.38 (0.13)
Return after operating charges*	4.07	6.25
Distributions Retained distributions on accumulation units	(1.94) 1.94	(1.41) 1.41
Closing net asset value per unit	60.32	56.25
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	7.24%	12.50%
<b>Other Information</b>		
Closing net asset value (£)	1,884,249	458,353
Closing number of units	3,123,926	814,865
Operating charges†	0.31%	0.31%
Direct transaction costs	0.01%	0.00%
<b>Prices</b>		
Highest unit price	60.80p	56.65p
Lowest unit price	54.65p	46.78p

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	54.79	50.00
Return before operating charges* Operating charges (calculated on average price)	4.05 (0.07)	6.23 (0.06)
Return after operating charges*	3.98	6.17
Distributions on income units	(1.87)	(1.38)
Closing net asset value per unit	56.90	54.79
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	7.26%	12.34%
<b>Other Information</b>		
Closing net asset value (£)	1,171	5,480,144
Closing number of units	2,058	10,002,000
Operating charges†	0.13%	0.13%
Direct transaction costs	0.01%	0.00%
<b>Prices</b>		
Highest unit price	57.87p	55.42p
Lowest unit price	52.81p	46.63p

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

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

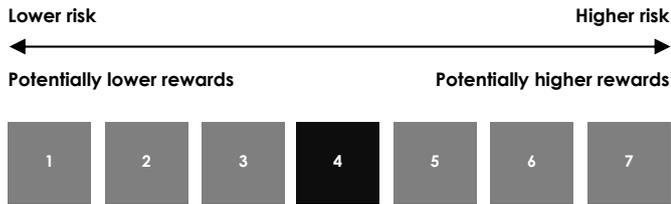
**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index Income 5 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. The result is that this Sub-fund is lower risk than one investing only in company shares and higher risk than one investing only in investment grade bonds. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index 6 Fund

## Manager's Investment Report

### Investment Objective and Policy

With effect from 3 July 2017, the Sub-fund's Investment Objective and Policy has changed (please see Significant Changes section on page 172).

#### Prior to 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure primarily to equities, with some exposure to fixed income securities (both government and non-government) and cash and property.

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 6.

#### From 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

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

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 6.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's F-Class accumulation units rose by 10.31%.

**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.**

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

### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 outperformed their conventional counterparts.

# Legal & General Multi-Index 6 Fund

## Manager's Investment Report continued

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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the review year as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK, Asia and US equities contributed to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrowed and yields climbed, we added to Sub-fund duration and have begun gradually decreasing the Sub-fund's exposure to high yield debt. We also re-allocated a portion of our broad emerging market equity exposure into Indian equities where we see encouraging progress in the country's structural reforms. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar. We also took a small position in energy stocks, expecting the oil price to stabilise over the medium term.

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally. We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

We reduced exposure to the UK within the equities portion of the Sub-fund in favour of other regions.

## Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index 6 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 24.11% (26.13%)</b>			
570,033	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>1</sup>	707,410	0.28
61,640	Legal & General All Stocks Index Linked Gilt Index Trust 'I' Inc <sup>1</sup>	72,366	0.03
27,407,774	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	44,893,933	17.61
12,491,514	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	6,766,653	2.65
16,866,152	Legal & General UK Property Fund 'L' Inc <sup>1</sup>	9,038,571	3.54
		<b>61,478,933</b>	<b>24.11</b>
<b>Continental Europe — 8.35% (9.78%)</b>			
1,551,991	Legal & General Euro Treasury Bond Index Fund 'Z' Acc <sup>1</sup>	1,687,324	0.66
6,771,838	Legal & General European Index Trust 'I' Inc <sup>1</sup>	19,597,700	7.69
		<b>21,285,024</b>	<b>8.35</b>
<b>North America — 17.76% (17.60%)</b>			
11,727,663	Legal & General US Index Trust 'I' Inc <sup>1</sup>	45,268,780	17.76
<b>Pacific — 5.48% (7.26%)</b>			
12,801,704	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	13,966,659	5.48
<b>Japan — 7.13% (7.83%)</b>			
34,556,446	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	18,162,868	7.13
<b>Global — 15.90% (19.74%)</b>			
10,928,532	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>1</sup>	5,726,551	2.25
12,189,464	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	7,586,722	2.98
17,858,606	Legal & General High Income Trust 'I' Inc <sup>1</sup>	9,022,168	3.54
22,727,574	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	13,009,263	5.10
4,220,470	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	5,173,030	2.03
		<b>40,517,734</b>	<b>15.90</b>
<b>Emerging Markets — 16.29% (10.17%)</b>			
11,709,746	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	7,290,488	2.86
20,802,277	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	12,198,455	4.79
38,803,726	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	22,017,234	8.64
		<b>41,506,177</b>	<b>16.29</b>
<b>FUTURES — -0.23% (-1.36%)</b>			
59	Australia 10 Year Future Expiry September 2017	(28,273)	(0.01)
1	LIFFE Long Gilt Future Expiry September 2017	190	—
(36)	EMINI S&P 500 Future Expiry September 2017	5,669	—
117	Euro Stoxx 50 Future Expiry September 2017	9,586	—
(155)	FTSE 100 Future Expiry September 2017	(11,900)	—
(67)	Mini MSCI Emerging Markets Index Future Expiry September 2017	(122,704)	(0.05)
(3)	OSE Topix Future Expiry September 2017	(4,391)	—
84	Russell 2000 Future Expiry September 2017	(187,983)	(0.07)
158	SGX Nifty 50 Index Future Expiry August 2017	(33,544)	(0.01)
91	Stoxx 600 Oil & Gas Future Expiry September 2017	(3,190)	—
329	Stoxx 600 Utilities Future Expiry September 2017	(26,574)	(0.01)
45	XAE Energy Future Expiry September 2017	(116,183)	(0.05)
92	XAU Utilities Future Expiry September 2017	79,952	0.03
(77)	AUD/USD Currency Future Expiry September 2017	(153,472)	(0.06)
45	EUR/GBP Currency Future Expiry September 2017	115,368	0.05
(80)	EUR/USD Currency Future Expiry September 2017	(144,806)	(0.06)
311	GBP/USD Currency Future Expiry September 2017	581	—
92	INR/USD Currency Future Expiry August 2017	11,978	—
(4)	JPY/USD Currency Future Expiry September 2017	2,819	—
394	USD/KRW Currency Future Expiry September 2017	15,593	0.01
		<b>(591,284)</b>	<b>(0.23)</b>

# Legal & General Multi-Index 6 Fund

## Portfolio Statement continued

	<b>Market Value £</b>	<b>% of Net Assets</b>
<b>Portfolio of investments<sup>2</sup></b>	241,594,891	94.79
<b>Net other assets<sup>3</sup></b>	13,277,069	5.21
<b>Total net assets</b>	<u>£254,871,960</u>	<u>100.00%</u>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £1,000,647 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £87,377,000.

Total sales for the year: £21,320,000.

# Legal & General Multi-Index 6 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

	Notes	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16* £
<b>Income</b>			
Net capital gains	3	14,963,034	13,117,191
Revenue	4	5,814,848	3,876,364
Expenses	5	(602,135)	(420,514)
Interest payable and similar charges	7	(2,074)	—
Net revenue before taxation		5,210,639	3,455,850
Taxation	6	(343,808)	(193,590)
Net revenue after taxation for the year		<u>4,866,831</u>	<u>3,262,260</u>
Total return before distributions		19,829,865	16,379,451
Distributions	7	(4,869,441)	(3,264,013)
Change in net assets attributable to Unitholders from investment activities		<u>£14,960,424</u>	<u>£13,115,438</u>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16* £
Opening net assets attributable to Unitholders	162,526,290	79,711,966
Amounts received on issue of units	81,567,451	74,025,085
Amounts paid on cancellation of units	(9,226,391)	(7,702,270)
	72,341,060	66,322,815
Change in net assets attributable to Unitholders from investment activities	14,960,424	13,115,438
Retained distributions on accumulation units	<u>5,044,186</u>	<u>3,376,071</u>
Closing net assets attributable to Unitholders	<u>£254,871,960</u>	<u>£162,526,290</u>

### Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	242,427,911	160,353,640
<b>Current assets:</b>		
Debtors	8 2,071,593	1,297,792
Cash and bank balances	9 10,645,684	3,750,063
Cash equivalents	9 1,000,647	—
<b>Total assets</b>	<b><u>256,145,835</u></b>	<b><u>165,401,495</u></b>
<b>LIABILITIES</b>		
<b>Investment liabilities</b>	(833,020)	(2,458,553)
<b>Creditors:</b>		
Bank overdrafts	9 (1,830)	(97,314)
Distributions payable	(207,875)	(34,318)
Other creditors	10 (231,150)	(285,020)
<b>Total liabilities</b>	<b><u>(1,273,875)</u></b>	<b><u>(2,875,205)</u></b>
<b>Net assets attributable to Unitholders</b>	<b><u>£254,871,960</u></b>	<b><u>£162,526,290</u></b>

\* The accounting year end date changed from 15 June to 15 August 2016.

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	14,018,636	17,754,627
Non-derivative securities (realised) <sup>1</sup>	2,104,507	(311,657)
Derivative securities (unrealised) <sup>1</sup>	1,623,860	(2,186,025)
Derivative securities (realised) <sup>1</sup>	(2,777,119)	(2,375,725)
Currency (losses)/gains	(19,970)	227,202
Management fee rebates	13,120	8,769
Net capital gains	<u>14,963,034</u>	<u>13,117,191</u>

\* The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
UK Franked distributions	3,504,720	2,496,669
Interest distributions	1,807,077	945,518
Management fee rebates	184,841	125,451
Property income distributions	297,271	284,869
Futures revenue	18,646	23,025
Bank interest	2,293	832
	<u>5,814,848</u>	<u>3,876,364</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>602,135</u>	<u>420,514</u>
Total expenses	<u>602,135</u>	<u>420,514</u>

Audit fees of £7,920 plus VAT of £1,584 have been borne by the manager out of its fund management fee. In the prior period, the total audit fee was £7,800 plus VAT of £1,560.

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Corporation Tax	343,808	193,590
Current tax [note 6(b)]	343,808	193,590
Deferred tax [note 6(c)]	—	—
Total taxation	<u>343,808</u>	<u>193,590</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>5,210,639</u>	<u>3,455,850</u>
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	1,042,128	691,170
<b>Effects of:</b>		
Revenue not subject to taxation	(700,944)	(499,333)
Capitalised revenue subject to taxation	<u>2,624</u>	<u>1,753</u>
Current tax	<u>343,808</u>	<u>193,590</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Interim distributions	2,076,822	2,950,202
Final distribution	<u>3,292,414</u>	<u>618,719</u>
	5,369,236	3,568,921
Add: Revenue deducted on cancellation of units	58,311	24,683
Less: Revenue received on creation of units	<u>(558,106)</u>	<u>(329,591)</u>
<b>Distributions for the year</b>	<b><u>4,869,441</u></b>	<b><u>3,264,013</u></b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>2,074</u>	<u>—</u>
	<u>4,871,515</u>	<u>3,264,013</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Net revenue after taxation for the year	4,866,831	3,262,260
Equalisation uplift on unit conversion	(14)	—
Add: Tax effect of capitalised revenue	<u>2,624</u>	<u>1,753</u>
<b>Distributions for the year</b>	<b><u>4,869,441</u></b>	<b><u>3,264,013</u></b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	1,154,165	751,191
Amounts receivable for creation of units	876,028	381,880
CIS tax recoverable	13,249	145,289
Management fee rebates	<u>28,151</u>	<u>19,432</u>
	<u>2,071,593</u>	<u>1,297,792</u>

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	2,840,555	3,558,976
Cash and bank balances	7,805,129	191,087
Bank overdrafts	(1,830)	(97,314)
Cash equivalents	1,000,647	—
Net uninvested cash	<u>11,644,501</u>	<u>3,652,749</u>

### 10. Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	47,842	31,103
Amounts payable for cancellation of units	26,000	59,998
Corporation tax payable	<u>157,308</u>	<u>193,919</u>
	<u>231,150</u>	<u>285,020</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 110.

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 112. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £12,079,745 (15 August 2016: £7,894,754).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £54,887,055 (21.54% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £142,763 (15 August 2016: £116,671).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(4,526)	(28)	(4,554)
Euro	(3,279)	(20)	(3,299)
Indian Rupee	2,228	—	2,228
Japanese Yen	(337)	(4)	(341)
South-Korean Won	(2,816)	—	(2,816)
US Dollar	(5,118)	(375)	(5,493)

15/08/16 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(3,221)	—	(3,221)
Euro	(2,719)	(91)	(2,810)
Japanese Yen	(7,160)	(107)	(7,267)
South-Korean Won	(100)	11	(89)
US Dollar	5,222	(1,778)	3,444

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued (g) Fair value

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative risk — Sensitivity analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £10,485,897 (15 August 2016: £1,923,705) representing 4.11% of the net asset value (15 August 2016: 1.18%).

This resulted in an effective equity exposure at the year end of 98.90% (15 August 2016: 95.97%) of net assets, which means that gain or losses of the Sub-fund will be 0.9890 (15 August 2016: 0.9597) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	241,736	(833,020)
Level 2 – Observable Market Data	242,186,175	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>242,427,911</b>	<b>(833,020)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	243,407	(2,458,553)
Level 2 – Observable Market Data	160,110,233	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>160,353,640</b>	<b>(2,458,553)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	87,376	—	—	1	—	87,377
<b>Total</b>	<b>87,376</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>87,377</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	21,320	—	—	—	—	21,320
<b>Total</b>	<b>21,320</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,320</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	86,635	—	—	10	0.01	86,645
<b>Total</b>	<b>86,635</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>0.01</b>	<b>86,645</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	17,663	—	—	—	—	17,663
<b>Total</b>	<b>17,663</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>17,663</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.54% (15 August 2016: 0.66%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 124 to 128. The distributions per unit class are given in the distribution tables on pages 122 to 123. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	2,000	413,665
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	413,665

F-Class	Distribution	Accumulation
Opening Units	1,046	1,154,351
Units issued	—	84,052
Units cancelled	—	(382,291)
Units converted	—	—
Closing Units	1,046	856,112

I-Class	Distribution	Accumulation
Opening Units	12,224,090	189,578,585
Units issued	11,404,644	93,322,705
Units cancelled	(4,210,661)	(5,026,406)
Units converted	95,451	87,846
Closing Units	19,513,524	277,962,730

C-Class	Distribution	Accumulation
Opening Units	2,426,274	44,553,975
Units issued	2,450,438	11,825,728
Units cancelled	(257,439)	(4,043,275)
Units converted	(95,532)	(87,675)
Closing Units	4,523,741	52,248,753

L-Class	Distribution
Opening Units	2,093
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	2,093

# Legal & General Multi-Index 6 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 2.09% (15 August 2016: 2.12%) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 72.10p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 72.43p. This represents an increase of 0.46% from the year end value.

# Legal & General Multi-Index 6 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/02/17	
	Net		Distribution	Distribution
	Revenue	Equalisation	15/04/17	15/02/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	0.6099	—	0.6099	0.6940
Group 2	—	0.6099	0.6099	0.6940
<b>F-Class Accumulation Units</b>				
Group 1	0.6406	—	0.6406	0.7091
Group 2	0.3952	0.2454	0.6406	0.7091
<b>I-Class Distribution Units</b>				
Group 1	0.6661	—	0.6661	0.7279
Group 2	0.1576	0.5085	0.6661	0.7279
<b>I-Class Accumulation Units</b>				
Group 1	0.7099	—	0.7099	0.7548
Group 2	0.1688	0.5411	0.7099	0.7548
<b>C-Class Distribution Units</b>				
Group 1	0.6881	—	0.6881	0.7428
Group 2	0.1891	0.4990	0.6881	0.7428
<b>C-Class Accumulation Units</b>				
Group 1	0.7351	—	0.7351	0.7705
Group 2	0.1971	0.5380	0.7351	0.7705
<b>L-Class Distribution Units</b>				
Group 1	0.7472	—	0.7472	0.7816
Group 2	—	0.7472	0.7472	0.7816

	2nd Interim dividend distribution in pence per unit		Period N/A*	
	Net		Distribution	Distribution
	Revenue	Equalisation	N/A	14/08/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	—	—	—	0.5038
Group 2	—	—	—	0.5038
<b>F-Class Accumulation Units</b>				
Group 1	—	—	—	0.5240
Group 2	—	—	—	0.5240
<b>I-Class Distribution Units</b>				
Group 1	—	—	—	0.5446
Group 2	—	—	—	0.5446
<b>I-Class Accumulation Units</b>				
Group 1	—	—	—	0.5717
Group 2	—	—	—	0.5717
<b>C-Class Distribution Units</b>				
Group 1	—	—	—	0.5590
Group 2	—	—	—	0.5590
<b>C-Class Accumulation Units</b>				
Group 1	—	—	—	0.5888
Group 2	—	—	—	0.5888
<b>L-Class Distribution Units</b>				
Group 1	—	—	—	0.6010
Group 2	—	—	—	0.6010

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 6 Fund

## Distribution Tables continued

Final dividend distribution in pence per unit	Net		Period	
			16/02/17 to 15/08/17*	
	Revenue	Equalisation	Distribution 15/10/17	Distribution 15/10/16*
<b>R-Class Distribution Units**</b>				
Group 1	0.5140	—	0.5140	—
Group 2	—	0.5140	0.5140	—
<b>R-Class Accumulation Units**</b>				
Group 1	0.5143	—	0.5143	—
Group 2	0.2209	0.2934	0.5143	—
<b>F-Class Distribution Units</b>				
Group 1	0.8135	—	0.8135	0.2198
Group 2	—	0.8135	0.8135	0.2198
<b>F-Class Accumulation Units</b>				
Group 1	0.8677	—	0.8677	0.2303
Group 2	0.6791	0.1886	0.8677	0.2303
<b>I-Class Distribution Units</b>				
Group 1	0.8603	—	0.8603	0.2334
Group 2	0.4954	0.3649	0.8603	0.2334
<b>I-Class Accumulation Units</b>				
Group 1	0.9269	—	0.9269	0.2472
Group 2	0.5099	0.4170	0.9269	0.2472
<b>C-Class Distribution Units</b>				
Group 1	0.8831	—	0.8831	0.2379
Group 2	0.5342	0.3489	0.8831	0.2379
<b>C-Class Accumulation Units</b>				
Group 1	0.9536	—	0.9536	0.2535
Group 2	0.5191	0.4345	0.9536	0.2535
<b>L-Class Distribution Units</b>				
Group 1	0.9440	—	0.9440	0.2494
Group 2	—	0.9440	0.9440	0.2494

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 6 Fund

## Sub-fund Information

The Comparative Tables on pages 124 to 128 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	2.06
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.91
Distributions on income units	(0.51)
Closing net asset value per unit	51.40

\* after direct transaction costs of: —

#### Performance

Return after charges 3.82%

#### Other Information

Closing net asset value (£)	1,028
Closing number of units	2,000
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%

#### Prices

Highest unit price	52.33p
Lowest unit price	49.67p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index 6 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	2.09
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	1.94
Distributions	(0.51)
Retained distributions on accumulation units	0.51
Closing net asset value per unit	51.94
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	3.87%
<b>Other Information</b>	
Closing net asset value (£)	214,843
Closing number of units	413,665
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest unit price	52.34p
Lowest unit price	49.67p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### F-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.57	57.27	53.07
Return before operating charges*	6.61	6.00	7.27
Operating charges (calculated on average price)	(0.32)	(0.29)	(0.27)
Return after operating charges*	6.29	5.71	7.00
Distributions on income units	(1.42)	(1.41)	(2.80)
Closing net asset value per unit	66.44	61.57	57.27
* after direct transaction costs of:	—	—	—
<b>Performance</b>			
Return after charges	10.22%	9.99%	13.19%
<b>Other Information</b>			
Closing net asset value (£)	695	644	599
Closing number of units	1,046	1,046	1,046
Operating charges <sup>†</sup>	0.50%	0.50%	0.50%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	67.82p	62.21p	60.61p
Lowest unit price	59.72p	50.68p	51.34p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index 6 Fund

## Comparative Tables continued

### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	64.89	58.79	53.90
Return before operating charges*	7.03	6.39	5.18
Operating charges (calculated on average price)	(0.34)	(0.29)	(0.29)
Return after operating charges*	6.69	6.10	4.89
Distributions Retained distributions on accumulation units	(1.51) 1.51	(1.46) 1.46	(0.98) 0.98
Closing net asset value per unit	71.58	64.89	58.79

\* after direct transaction costs of: — — —

#### Performance

Return after charges 10.30% 10.38% 9.07%

#### Other Information

Closing net asset value (£)	612,768	749,005	337,630
Closing number of units	856,112	1,154,351	574,253
Operating charges†	0.50%	0.50%	0.50%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	72.13p	65.32p	61.89p
Lowest unit price	62.96p	52.72p	52.13p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.25	56.92	53.06
Return before operating charges*	6.58	6.00	5.05
Operating charges (calculated on average price)	(0.20)	(0.17)	(0.17)
Return after operating charges*	6.38	5.83	4.88
Distributions on income units	(1.53)	(1.50)	(1.02)
Closing net asset value per unit	66.10	61.25	56.92

\* after direct transaction costs of: — — —

#### Performance

Return after charges 10.42% 10.26% 9.20%

#### Other Information

Closing net asset value (£)	12,898,922	7,486,846	4,114,363
Closing number of units	19,513,524	12,224,090	7,227,714
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	67.48p	61.89p	60.29p
Lowest unit price	59.42p	50.41p	51.36p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index 6 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	65.24	59.02	54.01
Return before operating charges*	7.07	6.40	5.19
Operating charges (calculated on average price)	(0.21)	(0.18)	(0.18)
Return after operating charges*	6.86	6.22	5.01
Distributions	(1.64)	(1.57)	(1.04)
Retained distributions on accumulation units	1.64	1.57	1.04
Closing net asset value per unit	72.10	65.24	59.02

\* after direct transaction costs of: — — —

#### Performance

Return after charges	10.51%	10.54%	9.28%
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#### Other Information

Closing net asset value (£)	200,401,459	123,689,985	62,212,055
Closing number of units	277,962,730	189,578,585	105,405,085
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	72.65p	65.68p	62.11p
Lowest unit price	63.32p	52.97p	52.28p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† 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. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.18	56.86	53.00
Return before operating charges*	6.57	5.98	5.06
Operating charges (calculated on average price)	(0.15)	(0.13)	(0.14)
Return after operating charges*	6.42	5.85	4.92
Distributions on income units	(1.57)	(1.53)	(1.06)
Closing net asset value per unit	66.03	61.18	56.86

\* after direct transaction costs of: — — —

#### Performance

Return after charges	10.49%	10.31%	9.28%
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#### Other Information

Closing net asset value (£)	2,987,051	1,484,502	999,347
Closing number of units	4,523,741	2,426,274	1,757,416
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	67.42p	61.83p	60.24p
Lowest unit price	59.37p	50.36p	51.33p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† 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. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index 6 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	65.35	59.07	54.03
Return before operating charges*	7.07	6.42	5.18
Operating charges (calculated on average price)	(0.16)	(0.14)	(0.14)
Return after operating charges*	6.91	6.28	5.04
Distributions	(1.69)	(1.61)	(1.08)
Retained distributions on accumulation units	1.69	1.61	1.08
Closing net asset value per unit	72.26	65.35	59.07

\* after direct transaction costs of: — — —

#### Performance

Return after charges	10.57%	10.63%	9.33%
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#### Other Information

Closing net asset value (£)	37,753,810	29,114,025	12,046,780
Closing number of units	52,248,753	44,553,975	20,393,411
Operating charges†	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	72.81p	65.78p	62.16p
Lowest unit price	63.42p	53.04p	52.31p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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

### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	61.30	56.95	53.09
Return before operating charges*	6.56	6.01	5.29
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.03)
Return after operating charges*	6.52	5.98	5.26
Distributions on income units	(1.69)	(1.63)	(1.40)
Closing net asset value per unit	66.13	61.30	56.95

\* after direct transaction costs of: — — —

#### Performance

Return after charges	10.63%	10.50%	9.91%
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#### Other Information

Closing net asset value (£)	1,384	1,283	1,192
Closing number of units	2,093	2,093	2,093
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.00%	0.01%	0.00%

#### Prices

Highest unit price	67.57p	61.94p	60.37p
Lowest unit price	59.47p	50.45p	51.43p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index 6 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, through other funds, in company shares, with some exposure to other asset types. Company shares generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index Income 6 Fund

## Manager's Investment Report

### Investment Objective and Policy

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

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

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

The Sub-fund may also invest directly in transferable securities (equity securities and fixed income securities), money market instruments, deposits, and cash and near cash. The Sub-fund may use derivatives for efficient portfolio management purposes only.

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic returns and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 6.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's I-Class accumulation units rose by 9.61%.

**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.**

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

### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy

stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the review year as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK, Asia and US equities contributed to Sub-fund performance; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the latter half of the review year.

As spreads narrowed and yields climbed, we added to Sub-fund duration and have begun gradually decreasing the Sub-fund's exposure to high yield debt. We also re-allocated a portion of our broad emerging market equity exposure into Indian equities where we see encouraging progress in the country's structural reforms. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar. We also took a small position in energy stocks, expecting the oil price to stabilise over the medium term.

# Legal & General Multi-Index Income 6 Fund

## Manager's Investment Report continued

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally.

We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

We reduced exposure to the UK within the equities portion of the Sub-fund in favour of other regions.

### Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index Income 6 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 24.84% (30.61%)</b>			
141,080	iShares UK Dividend UCITS ETF	1,283,123	8.15
35,716	Legal & General All Stocks Gilt Index Trust 'I' Inc <sup>1</sup>	44,323	0.28
1,005,759	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	1,647,434	10.47
452,588	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	245,167	1.56
1,285,294	Legal & General UK Property Fund 'L' Inc	688,789	4.38
		<b>3,908,836</b>	<b>24.84</b>
<b>Continental Europe — 10.00% (10.33%)</b>			
27,505	iShares EURO Dividend UCITS ETF	562,890	3.57
349,704	Legal & General European Index Trust 'I' Inc <sup>1</sup>	1,012,043	6.43
		<b>1,574,933</b>	<b>10.00</b>
<b>North America — 7.36% (10.08%)</b>			
300,306	Legal & General US Index Trust 'I' Inc <sup>1</sup>	1,159,180	7.36
<b>Pacific — 10.16% (11.41%)</b>			
22,486	iShares Asia Pacific Dividend UCITS ETF	523,699	3.32
986,586	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	1,076,366	6.84
		<b>1,600,065</b>	<b>10.16</b>
<b>Japan — 2.58% (1.62%)</b>			
772,530	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	406,042	2.58
<b>Global — 20.18% (16.89%)</b>			
678,937	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	422,570	2.68
2,123,662	Legal & General High Income Trust 'I' Inc <sup>1</sup>	1,072,874	6.82
993,893	Legal & General Managed Monthly Income Trust 'I' Inc <sup>1</sup>	662,827	4.21
281,200	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	160,959	1.02
699,435	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	857,297	5.45
		<b>3,176,527</b>	<b>20.18</b>
<b>Emerging Markets — 21.30% (18.61%)</b>			
23,896	iShares Emerging Markets Dividend UCITS ETF	415,312	2.64
1,682,966	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	1,047,815	6.66
2,113,027	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	1,239,079	7.87
1,145,767	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	650,108	4.13
		<b>3,352,314</b>	<b>21.30</b>
<b>FUTURES — -0.27% (-0.96%)</b>			
4	Australia 10 Year Future Expiry September 2017	(1,288)	(0.01)
(3)	LIFFE Long Gilt Future Expiry September 2017	(4,140)	(0.03)
2	US 10-year Note Future Expiry September 2017	170	—
(3)	EMINI S&P 500 Future Expiry September 2017	(1,054)	(0.01)
(4)	Euro Stoxx 50 Future Expiry September 2017	(401)	—
2	FTSE 250 Index ICF Future Expiry September 2017	320	—
(5)	Mini MSCI Emerging Markets Index Future Expiry September 2017	1,719	0.01
3	Russell 2000 Future Expiry September 2017	(6,888)	(0.04)
8	SGX Nifty 50 Index Future Expiry August 2017	(1,698)	(0.01)
12	Stoxx 600 Oil & Gas Future Expiry September 2017	(421)	—
25	Stoxx 600 Utilities Future Expiry September 2017	3,692	0.02
5	XAE Energy Future Expiry September 2017	(11,999)	(0.08)
3	XAU Utilities Future Expiry September 2017	4,526	0.03
(10)	AUD/USD Currency Future Expiry September 2017	(22,312)	(0.14)
1	EUR/GBP Currency Future Expiry September 2017	3,377	0.03
(5)	EUR/USD Currency Future Expiry September 2017	(4,506)	(0.03)
6	GBP/USD Currency Future Expiry September 2017	(2,984)	(0.02)
5	INR/USD Currency Future Expiry August 2017	651	—
31	USD/KRW Currency Future Expiry September 2017	1,227	0.01
		<b>(42,009)</b>	<b>(0.27)</b>

# Legal & General Multi-Index Income 6 Fund

## Portfolio Statement continued

	<b>Market Value £</b>	<b>% of Net Assets</b>
<b>Portfolio of investments<sup>2</sup></b>	15,135,888	96.15
<b>Net other assets<sup>3</sup></b>	605,712	3.85
<b>Total net assets</b>	<u>£15,741,600</u>	<u>100.00%</u>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £400,000 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £7,062,964.

Total sales for the year: £70,000.

# Legal & General Multi-Index Income 6 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
<b>Income</b>		
Net capital gains	3 729,829	807,952
Revenue	4 430,924	169,747
Expenses	5 (21,725)	(5,339)
Interest payable and similar charges	7 (838)	(143)
Net revenue before taxation	408,361	164,265
Taxation	6 (38,400)	(14,353)
Net revenue after taxation for the year	369,961	149,912
Total return before distributions	1,099,790	957,864
Distributions	7 (418,184)	(175,572)
Change in net assets attributable to Unitholders from investment activities	<b>£681,606</b>	<b>£782,292</b>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16* £
Opening net assets attributable to Unitholders	7,497,005	—
Amounts received on issue of units	11,417,965	7,717,936
Amounts paid on cancellation of units	(3,924,693)	(1,013,985)
	7,493,272	6,703,951
Change in net assets attributable to Unitholders from investment activities	681,606	782,292
Retained distributions on accumulation units	69,717	10,762
Closing net assets attributable to Unitholders	<b>£15,741,600</b>	<b>£7,497,005</b>

## Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
Fixed assets:		
Investments	15,193,579	7,467,673
Current assets:		
Debtors	8 89,445	42,556
Cash and bank balances	9 346,230	123,607
Cash equivalents	9 400,000	—
<b>Total assets</b>	<b>16,029,254</b>	<b>7,633,836</b>
<b>LIABILITIES</b>		
Investment liabilities	(57,691)	(76,014)
Creditors:		
Bank overdrafts	9 (30,466)	(13,735)
Distributions payable	(86,076)	(32,372)
Other creditors	10 (113,421)	(14,710)
<b>Total liabilities</b>	<b>(287,654)</b>	<b>(136,831)</b>
<b>Net assets attributable to Unitholders</b>	<b>£15,741,600</b>	<b>£7,497,005</b>

\* The Sub-fund launched on 9 October 2015.

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	726,386	927,631
Non-derivative securities (realised) <sup>1</sup>	4,403	884
Derivative securities (unrealised) <sup>1</sup>	29,252	(70,827)
Derivative securities (realised) <sup>1</sup>	(33,544)	(59,807)
Forward currency contracts	427	618
Currency gains	1,540	8,849
Management fee rebates	1,365	604
Net capital gains	<u>729,829</u>	<u>807,952</u>

<sup>1</sup> The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
UK Franked distributions	129,253	53,329
Interest distributions	164,581	61,036
Management fee rebates	10,775	5,434
Non-taxable overseas distributions	88,471	39,168
Property income distributions	24,032	10,780
Futures revenue	13,642	—
Bank interest	170	—
	<u>430,924</u>	<u>169,747</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>21,725</u>	<u>5,339</u>
Total expenses	<u>21,725</u>	<u>5,339</u>

Audit fees of £8,200 plus VAT of £1,640 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £8,080 plus VAT of £1,616.

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Corporation Tax	38,400	14,353
Current tax [note 6(b)]	38,400	14,353
Deferred tax [note 6(c)]	—	—
Total taxation	<u>38,400</u>	<u>14,353</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	408,361	164,265
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	81,672	32,853
<b>Effects of:</b>		
Revenue not subject to taxation	(43,546)	(18,500)
Capitalised revenue subject to taxation	274	—
Current tax	<u>38,400</u>	<u>14,353</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
1st Interim distribution	21,775	—
2nd Interim distribution	26,109	—
3rd Interim distribution	28,670	—
4th Interim distribution	25,328	—
5th Interim distribution	25,391	17,857
6th Interim distribution	28,408	19,856
7th Interim distribution	20,057	20,551
8th Interim distribution	39,302	20,447
9th Interim distribution	31,855	22,227
10th Interim distribution	40,004	20,868
11th Interim distribution	44,462	21,992
Final distribution	<u>107,317</u>	<u>34,653</u>
	438,678	178,451
Add: Revenue deducted on cancellation of units	11,904	3,023
Less: Revenue received on creation of units	<u>(32,398)</u>	<u>(5,902)</u>
<b>Distributions for the year</b>	<b>418,184</b>	<b>175,572</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	838	143
	<u>419,022</u>	<u>175,715</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	09/10/15 to 15/08/16 £
Net revenue after taxation for the year	369,961	149,912
Add: Expenses charged to capital	21,725	5,339
Equalisation on underlying funds	30,570	21,269
Less: Tax relief on capital expenses	<u>(4,072)</u>	<u>(948)</u>
<b>Distributions for the year</b>	<b>418,184</b>	<b>175,572</b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	62,675	33,328
Amounts receivable for creation of units	20,872	—
CIS tax recoverable	5,092	8,355
Management fee rebates	<u>806</u>	<u>873</u>
	<u>89,445</u>	<u>42,556</u>

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	173,851	106,819
Cash and bank balances	172,379	16,788
Amounts due to futures clearing houses and brokers	(119)	—
Bank overdrafts	(30,347)	(13,735)
Cash equivalents	400,000	—
Net uninvested cash	<u>715,764</u>	<u>109,872</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	1,342	357
Amounts payable for cancellation of units	93,679	—
Corporation tax payable	18,400	14,353
	<u>113,421</u>	<u>14,710</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 130.

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 132. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £756,794 (15 August 2016: £369,583).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £5,085,174 (32.31% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,935 (15 August 2016: £2,597).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(598)	(1)	(599)
Euro	(386)	3	(383)
Indian Rupee	121	—	121
South-Korean Won	(222)	—	(222)
US Dollar	907	(16)	891

15/08/16 Currency	Net Foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	(298)	—	(298)
Euro	10	2	12
Japanese Yen	(96)	—	(96)
South-Korean Won	(3)	1	(2)
US Dollar	296	(66)	230

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued (g) Fair value

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative risk — Sensitivity analysis

Derivative risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to decrease the exposure of the Sub-fund by £742,881 (15 August 2016: £112,317, representing 4.72% of the net asset value (15 August 2016: £1.503%).

This resulted in an effective equity exposure at the year end of 100.87% (97.10% as at 15 August 2016) of net assets, which means that gain or losses of the Sub-fund will be 1.0087 (0.9710 as at 15 August 2016) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	2,800,706	(57,691)
Level 2 – Observable Market Data	12,392,873	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>15,193,579</b>	<b>(57,691)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	1,203,183	(76,014)
Level 2 – Observable Market Data	6,264,490	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>7,467,673</b>	<b>(76,014)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	7,063	—	—	—	—	7,063
<b>Total</b>	<b>7,063</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,063</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	70	—	—	—	—	70
<b>Total</b>	<b>70</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>70</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	6,983	—	—	—	—	6,983
<b>Total</b>	<b>6,983</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,983</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	426	—	—	—	—	426
<b>Total</b>	<b>426</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>426</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.58% (15 August 2016: 0.70%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 146 to 149. The distributions per unit class are given in the distribution tables on pages 142 to 145. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	2,000	69,812
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	69,812

I-Class	Distribution	Accumulation
Opening Units	1,951,347	480,863
Units issued	7,184,092	6,198,309
Units cancelled	(683,073)	(2,793,807)
Units converted	—	—
Closing Units	8,452,366	3,885,365

C-Class	Distribution	Accumulation
Opening Units	610,506	379,698
Units issued	3,699,564	2,422,145
Units cancelled	(1,435,254)	(1,737,165)
Units converted	—	—
Closing Units	2,874,816	1,064,678

L-Class	Distribution
Opening Units	10,002,000
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	10,002,000

# Legal & General Multi-Index Income 6 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 40.70% (15 August 2016: 79.57%) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 62.73p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 62.74p. This represents an increase of 0.02% from the year end value.

# Legal & General Multi-Index Income 6 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/09/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/10/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1550	—	0.1550	—
Group 2	0.1104	0.0446	0.1550	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1593	—	0.1593	—
Group 2	0.0044	0.1549	0.1593	—
<b>C-Class Distribution Units</b>				
Group 1	0.1551	—	0.1551	—
Group 2	0.0003	0.1548	0.1551	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1594	—	0.1594	—
Group 2	0.0578	0.1016	0.1594	—
<b>L-Class Distribution Units</b>				
Group 1	0.1553	—	0.1553	—
Group 2	—	0.1553	0.1553	—

	2nd Interim dividend distribution in pence per unit		Period 16/09/16 to 15/10/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/11/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1538	—	0.1538	—
Group 2	0.0325	0.1213	0.1538	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1584	—	0.1584	—
Group 2	—	0.1584	0.1584	—
<b>C-Class Distribution Units</b>				
Group 1	0.1538	—	0.1538	—
Group 2	—	0.1538	0.1538	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1582	—	0.1582	—
Group 2	—	0.1582	0.1582	—
<b>L-Class Distribution Units</b>				
Group 1	0.1544	—	0.1544	—
Group 2	—	0.1544	0.1544	—
<b>3rd Interim dividend distribution in pence per unit</b>				
	Net		Period 16/10/16 to 15/11/16	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/12/16	N/A*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>I-Class Distribution Units</b>				
Group 1	0.1547	—	0.1547	—
Group 2	—	0.1547	0.1547	—
<b>I-Class Accumulation Units</b>				
Group 1	0.1595	—	—	—
Group 2	—	0.1595	0.1595	—
<b>C-Class Distribution Units</b>				
Group 1	0.1543	—	0.1543	—
Group 2	—	0.1543	0.1543	—
<b>C-Class Accumulation Units</b>				
Group 1	0.1598	—	0.1598	—
Group 2	—	0.1598	0.1598	—
<b>L-Class Distribution Units</b>				
Group 1	0.1553	—	0.1553	—
Group 2	—	0.1553	0.1553	—

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 6 Fund

## Distribution Tables continued

4th Interim dividend distribution in pence per unit			Period		6th Interim dividend distribution in pence per unit		Period	
			16/11/16 to 15/12/16		Net		16/01/17 to 15/02/17	
Net			Distribution	Distribution	Revenue	Equalisation	Distribution	Distribution
Revenue			14/01/17	N/A*	R-Class Distribution Units**		14/03/17	14/03/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1313	—	0.1313	—	Group 1	0.1358	0.1358	0.1758
Group 2	—	0.1313	0.1313	—	Group 2	0.0070	0.1288	0.1358
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1357	—	0.1357	—	Group 1	0.1413	—	0.1413
Group 2	—	0.1357	0.1357	—	Group 2	0.0156	0.1257	0.1413
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1311	—	0.1311	—	Group 1	0.1358	—	0.1358
Group 2	—	0.1311	0.1311	—	Group 2	0.0003	0.1355	0.1358
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1358	—	0.1358	—	Group 1	0.1414	—	0.1414
Group 2	—	0.1358	0.1358	—	Group 2	—	0.1414	0.1414
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1317	—	0.1317	—	Group 1	0.1363	—	0.1363
Group 2	—	0.1317	0.1317	—	Group 2	—	0.1363	0.1363
5th Interim dividend distribution in pence per unit			Period		7th Interim dividend distribution in pence per unit		Period	
Net			16/12/16 to 15/01/17		Net		16/02/17 to 15/03/17	
Revenue			Distribution	Distribution	Revenue	Equalisation	Distribution	Distribution
Equalisation			14/02/17	14/02/16	R-Class Distribution Units**		14/04/17	14/04/16
<b>R-Class Distribution Units**</b>					<b>R-Class Distribution Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>R-Class Accumulation Units**</b>					<b>R-Class Accumulation Units**</b>			
Group 1	—	—	—	—	Group 1	—	—	—
Group 2	—	—	—	—	Group 2	—	—	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>			
Group 1	0.1287	—	0.1287	0.1572	Group 1	0.0930	—	0.0930
Group 2	—	0.1287	0.1287	0.1572	Group 2	0.0304	0.0626	0.0930
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>			
Group 1	0.1338	—	0.1338	0.1564	Group 1	0.0971	—	0.0971
Group 2	—	0.1338	0.1338	0.1564	Group 2	0.0329	0.0642	0.0971
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>			
Group 1	0.1285	—	0.1285	0.1563	Group 1	0.0930	—	0.0930
Group 2	—	0.1285	0.1285	0.1563	Group 2	0.0415	0.0515	0.0930
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>			
Group 1	0.1339	—	0.1339	0.1564	Group 1	0.0971	—	0.0971
Group 2	—	0.1339	0.1339	0.1564	Group 2	0.0082	0.0889	0.0971
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>			
Group 1	0.1291	—	0.1291	0.1549	Group 1	0.0933	—	0.0933
Group 2	—	0.1291	0.1291	0.1549	Group 2	—	0.0933	0.0933

\* There are no comparative figures shown as the Fund launched on 9 October 2015.

\*\*R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 6 Fund

## Distribution Tables continued

8th Interim dividend distribution in pence per unit			Period		10th Interim dividend distribution in pence per unit			Period	
			16/03/17 to 15/04/17		Net			16/05/17 to 15/06/17	
Net			Distribution	Distribution	Revenue	Equalisation	Distribution	Distribution	
Revenue	Equalisation		14/05/17	14/05/16			14/07/17	14/07/16	
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>				
Group 1	0.0832	—	0.0832	—	Group 1	0.1393	—	0.1393	—
Group 2	—	0.0832	0.0832	—	Group 2	—	0.1393	0.1393	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>				
Group 1	0.0832	—	0.0832	—	Group 1	0.1399	—	0.1399	—
Group 2	—	0.0832	0.0832	—	Group 2	0.0003	0.1396	0.1399	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>				
Group 1	0.0835	—	0.0835	—	Group 1	0.1610	—	0.1610	0.1591
Group 2	0.0218	0.0617	0.0835	—	Group 2	—	0.1610	0.1610	0.1591
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>				
Group 1	0.1719	—	0.1719	0.1600	Group 1	0.1692	—	0.1692	0.1614
Group 2	0.0359	0.1360	0.1719	0.1600	Group 2	—	0.1692	0.1692	0.1614
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>				
Group 1	0.1797	—	0.1797	0.1616	Group 1	0.1613	—	0.1613	0.1585
Group 2	0.0561	0.1236	0.1797	0.1616	Group 2	—	0.1613	0.1613	0.1585
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>				
Group 1	0.1720	—	0.1720	0.1597	Group 1	0.1693	—	0.1693	0.1610
Group 2	0.0272	0.1448	0.1720	0.1597	Group 2	—	0.1693	0.1693	0.1610
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>				
Group 1	0.1796	—	0.1796	0.1614	Group 1	0.1618	—	0.1618	0.1570
Group 2	0.0311	0.1485	0.1796	0.1614	Group 2	—	0.1618	0.1618	0.1570
<b>L-Class Accumulation Units</b>					<b>L-Class Accumulation Units</b>				
Group 1	0.1725	—	0.1725	0.1588	<b>11th Interim dividend distribution in pence per unit</b>				
Group 2	—	0.1725	0.1725	0.1588	Net		Period		
9th Interim dividend distribution in pence per unit			16/04/17 to 15/05/17		16/06/17 to 15/07/17			16/06/17 to 15/07/17	
Net			Distribution	Distribution	Net			Distribution	Distribution
Revenue	Equalisation		14/06/17	14/06/16	Revenue	Equalisation	14/08/17	14/08/16	
<b>R-Class Distribution Units*</b>					<b>R-Class Distribution Units*</b>				
Group 1	0.1020	—	0.1020	—	Group 1	0.1443	—	0.1443	—
Group 2	—	0.1020	0.1020	—	Group 2	—	0.1443	0.1443	—
<b>R-Class Accumulation Units*</b>					<b>R-Class Accumulation Units*</b>				
Group 1	0.1034	—	0.1034	—	Group 1	0.1454	—	0.1454	—
Group 2	—	0.1034	0.1034	—	Group 2	—	0.1454	0.1454	—
<b>I-Class Distribution Units</b>					<b>I-Class Distribution Units</b>				
Group 1	0.1324	—	0.1324	0.1705	Group 1	0.1669	—	0.1669	0.1648
Group 2	—	0.1324	0.1324	0.1705	Group 2	—	0.1669	0.1669	0.1648
<b>I-Class Accumulation Units</b>					<b>I-Class Accumulation Units</b>				
Group 1	0.1386	—	0.1386	0.1724	Group 1	0.1759	—	0.1759	0.1673
Group 2	—	0.1386	0.1386	0.1724	Group 2	—	0.1759	0.1759	0.1673
<b>C-Class Distribution Units</b>					<b>C-Class Distribution Units</b>				
Group 1	0.1325	—	0.1325	0.1698	Group 1	0.1670	—	0.1670	0.1641
Group 2	0.0191	0.1134	0.1325	0.1698	Group 2	—	0.1670	0.1670	0.1641
<b>C-Class Accumulation Units</b>					<b>C-Class Accumulation Units</b>				
Group 1	0.1386	—	0.1386	0.1719	Group 1	0.1760	—	0.1760	0.1672
Group 2	—	0.1386	0.1386	0.1719	Group 2	—	0.1760	0.1760	0.1672
<b>L-Class Distribution Units</b>					<b>L-Class Distribution Units</b>				
Group 1	0.1329	—	0.1329	0.1683	Group 1	0.1675	—	0.1675	0.1628
Group 2	—	0.1329	0.1329	0.1683	Group 2	—	0.1675	0.1675	0.1628

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 6 Fund

## Distribution Tables continued

	Final dividend		Period	
	distribution in pence per unit		16/07/17 to 15/08/17	
	Net		Distribution	Distribution
	Revenue	Equalisation	14/09/17	14/09/16
<b>R-Class Distribution Units*</b>				
Group 1	0.3475	—	0.3475	—
Group 2	—	0.3475	0.3475	—
<b>R-Class Accumulation Units*</b>				
Group 1	0.3517	—	0.3517	—
Group 2	0.0234	0.3283	0.3517	—
<b>I-Class Distribution Units</b>				
Group 1	0.4024	—	0.4024	0.2592
Group 2	0.1218	0.2806	0.4024	0.2592
<b>I-Class Accumulation Units</b>				
Group 1	0.4234	—	0.4234	0.2652
Group 2	0.0891	0.3343	0.4234	0.2652
<b>C-Class Distribution Units</b>				
Group 1	0.4026	—	0.4026	0.2587
Group 2	0.0389	0.3637	0.4026	0.2587
<b>C-Class Accumulation Units</b>				
Group 1	0.4266	—	0.4266	0.2647
Group 2	0.0005	0.4261	0.4266	0.2647
<b>L-Class Distribution Units</b>				
Group 1	0.4047	—	0.4047	0.2572
Group 2	—	0.4047	0.4047	0.2572

\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index Income 6 Fund

## Sub-fund Information

The Comparative Tables on pages 146 to 149 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.94
Operating charges (calculated on average price)	(0.17)
Return after operating charges*	1.77
Distributions on income units	(0.82)
Closing net asset value per unit	50.95

\* after direct transaction costs of: —

#### Performance

Return after charges 3.54%

#### Other Information

Closing net asset value (£)	1,019
Closing number of units	2,000
Operating charges <sup>†</sup>	0.85%
Direct transaction costs	0.00%

#### Prices

Highest unit price	52.06p
Lowest unit price	49.66p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion

**Past performance is not a guide to future performance.**

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

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

# Legal & General Multi-Index Income 6 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges* Operating charges (calculated on average price)	1.94 (0.17)
Return after operating charges*	1.77
Distributions Retained distributions on accumulation units	(0.82) 0.82
Closing net asset value per unit	51.77
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	3.54%
<b>Other Information</b>	
Closing net asset value (£)	36,143
Closing number of units	69,812
Operating charges <sup>†</sup>	0.85%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest unit price	52.27p
Lowest unit price	49.75p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	55.66	50.00
Return before operating charges* Operating charges (calculated on average price)	5.51 (0.23)	7.23 (0.17)
Return after operating charges*	5.28	7.06
Distributions on income units	(1.99)	(1.40)
Closing net asset value per unit	58.95	55.66
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	9.49%	14.12%
<b>Other Information</b>		
Closing net asset value (£)	4,982,633	1,086,068
Closing number of units	8,452,366	1,951,347
Operating charges <sup>†</sup>	0.40%	0.39%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest unit price	60.20p	56.30p
Lowest unit price	53.87p	45.88p

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

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index Income 6 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	57.23	50.00
Return before operating charges*	5.74	7.40
Operating charges (calculated on average price)	(0.24)	(0.17)
Return after operating charges*	5.50	7.23
Distributions	(2.07)	(1.42)
Retained distributions on accumulation units	2.07	1.42
Closing net asset value per unit	62.73	57.23
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	9.61%	14.46%
<b>Other Information</b>		
Closing net asset value (£)	2,437,482	275,195
Closing number of units	3,885,365	480,863
Operating charges†	0.40%	0.39%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	63.30p	57.63p
Lowest unit price	55.38p	46.03p

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

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	55.69	50.00
Return before operating charges*	5.51	7.22
Operating charges (calculated on average price)	(0.19)	(0.13)
Return after operating charges*	5.32	7.09
Distributions on income units	(1.99)	(1.40)
Closing net asset value per unit	59.02	55.69
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	9.55%	14.18%
<b>Other Information</b>		
Closing net asset value (£)	1,696,722	339,995
Closing number of units	2,874,816	610,506
Operating charges†	0.33%	0.32%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest unit price	60.27p	56.34p
Lowest unit price	53.91p	45.89p

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

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# Legal & General Multi-Index Income 6 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	57.26	50.00
Return before operating charges*	5.74	7.39
Operating charges (calculated on average price)	(0.20)	(0.13)
Return after operating charges*	5.54	7.26
Distributions	(2.08)	(1.42)
Retained distributions on accumulation units	2.08	1.42
Closing net asset value per unit	62.80	57.26
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	9.68%	14.52%
<b>Other Information</b>		
Closing net asset value (£)	668,642	217,407
Closing number of units	1,064,678	379,698
Operating charges†	0.33%	0.32%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	63.36p	57.65p
Lowest unit price	55.42p	46.04p

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

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)
Opening net asset value per unit	55.77	50.00
Return before operating charges*	5.49	7.22
Operating charges (calculated on average price)	(0.09)	(0.06)
Return after operating charges*	5.40	7.16
Distributions on income units	(1.99)	(1.39)
Closing net asset value per unit	59.18	55.77
* after direct transaction costs of:	—	—
<b>Performance</b>		
Return after charges	9.68%	14.32%
<b>Other Information</b>		
Closing net asset value (£)	5,918,959	5,578,340
Closing number of units	10,002,000	10,002,000
Operating charges†	0.15%	0.14%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest unit price	60.41p	56.42p
Lowest unit price	53.99p	45.91p

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

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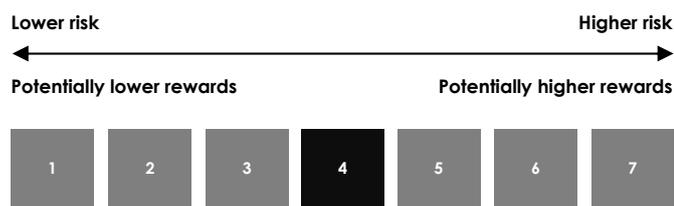
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# Legal & General Multi-Index Income 6 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category four because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. The result is that this Sub-fund is lower risk than one investing only in company shares and higher risk than one investing only in investment grade bonds. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index 7 Fund

## Manager's Investment Report

### Investment Objective and Policy

With effect from 3 July 2017, the Sub-fund's Investment Objective and Policy has changed (please see Significant Changes section on page 172).

#### Prior to 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure primarily to equities, with minor exposure to fixed income securities (both government and non-government) and cash.

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 7.

#### From 3 July 2017

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

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

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

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

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

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic return and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 7.

### Manager's Investment Report

During the year under review, the bid price of the Sub-fund's F-Class accumulation units rose by 12.50%.

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### Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. Globally, equities have also been underpinned by companies buying back their own shares. Since the turn of the calendar year however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors favoured more defensive sectors such as consumer staples and healthcare as central banks signalled the prolonged era of ultra-loose monetary policy was coming to an end. In contrast, sectors closely correlated with bonds struggled, such as utilities and telecommunications, as bond markets globally sold off. Energy stocks have also underperformed as Organisation of Petroleum Exporting Countries (OPEC)'s move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies.

Although the major government bond markets were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide, an improving global growth outlook and rising inflationary pressures meant most government bond markets recorded a loss over the year. Since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted Fed rate hikes and looser fiscal policy, but also latterly in Europe as the European Central Bank signalled it may begin tapering its quantitative easing (QE) programme earlier than expected. 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 outperformed their conventional counterparts.

# Legal & General Multi-Index 7 Fund

## Manager's Investment Report continued

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. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

### Fund Review

The Sub-fund delivered a positive return over the review year. Risk assets performed well against the backdrop of positive global economic data and subdued volatility despite political and central bank announcements. Equities largely performed well over the period as emerging markets clawed back some of their underperformance in the wake of President Trump's election.

The Sub-fund's holdings in UK equities contributed to Sub-fund performance across the review year with Asia, the US and Europe contributing positively at different times; however, UK government bonds both nominal and inflation-linked proved a slight drag in the later months. Our positive bias towards Sterling added to returns as a result of its relative strength over the period.

As spreads narrow, we have begun gradually decreasing the Sub-fund's exposure to high yield debt. We also re-allocated a portion of our broad emerging market equity exposure into Indian equities where we see encouraging progress in the country's structural reforms. In order to manage political event risk more effectively, we reduced Sterling exposure prior to the UK general election in favour of the US Dollar. We also took a small position in energy stocks, expecting the oil price to stabilise over the medium term.

The Sub-fund's fixed income allocation was diversified further as we added a position in Australian government bonds using futures, one of the highest yielding developed bond markets globally. We also introduced exposure to more defensive utilities within our European equity allocation, which reflect outstanding value relative to other sectors.

## Outlook

Over the recent months, our core investment views have remained largely unchanged. Our economic outlook of mid-cycle expansion is consistent with steady but unspectacular returns, but we continue to worry about the latent systemic risks overlooked by the market.

Global trade will likely continue to grow this year, provided that consumers are supported by more favourable labour market conditions and manufacturing continues to grow. Higher bank lending, especially in the Eurozone, should help too. However, there are several headwinds on the horizon. The recent decline in oil prices will likely weigh on the fuels trade. Some slowdown in Chinese growth can also affect global trade in the second half of 2017. Any correction in now fairly buoyant asset prices could affect sentiment. In particular, rising protectionism and lower cross-border investment will likely prevent the return to pre-crisis growth rates. Any wholesale retreat from global integration would act as a structural headwind to trade with particularly negative implications for emerging markets.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 September 2017

# Legal & General Multi-Index 7 Fund

## Portfolio Statement

### Portfolio Statement as at 15 August 2017

All investments are in collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 August 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES INVESTING IN:</b>			
<b>United Kingdom — 25.19% (30.31%)</b>			
5,285,642	Legal & General (N) Tracker Trust 'I' Acc <sup>1</sup>	11,665,412	8.62
8,150,128	Legal & General UK Index Trust 'L' Inc <sup>1</sup>	13,349,909	9.86
9,108,447	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	4,934,046	3.64
7,748,251	Legal & General UK Property Fund 'L' Inc <sup>1</sup>	4,152,288	3.07
		<b>34,101,655</b>	<b>25.19</b>
<b>Continental Europe — 10.95% (11.23%)</b>			
5,122,955	Legal & General European Index Trust 'I' Inc <sup>1</sup>	14,825,832	10.95
<b>North America — 18.87% (18.68%)</b>			
6,615,761	Legal & General US Index Trust 'I' Inc <sup>1</sup>	25,536,836	18.87
<b>Pacific — 7.58% (7.78%)</b>			
9,400,596	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	10,256,051	7.58
<b>Japan — 8.55% (7.44%)</b>			
22,010,048	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	11,568,481	8.55
<b>Global — 7.79% (10.23%)</b>			
6,259,840	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	3,896,124	2.88
13,062,017	Legal & General High Income Trust 'I' Inc <sup>1</sup>	6,598,931	4.88
38,236	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	46,866	0.03
		<b>10,541,921</b>	<b>7.79</b>
<b>Emerging Markets — 13.49% (11.70%)</b>			
2,417,329	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	1,505,029	1.11
8,242,031	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	4,833,127	3.57
21,032,336	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	11,933,748	8.81
		<b>18,271,904</b>	<b>13.49</b>
<b>FUTURES — -0.28% (-0.95%)</b>			
(8)	US 10-year Note Future Expiry September 2017	3,013	—
(35)	ASX SPI 200 Future Expiry September 2017	(41,117)	(0.03)
12	EMINI S&P 500 Future Expiry September 2017	14,690	0.01
60	Euro Stoxx 50 Future Expiry September 2017	4,916	—
(41)	FTSE 100 Future Expiry September 2017	6,718	—
8	FTSE 250 Index ICF Future Expiry September 2017	640	—
12	Mini MSCI Emerging Markets Index Future Expiry September 2017	21,362	0.02
87	Russell 2000 Future Expiry September 2017	(198,176)	(0.15)
100	SGX Nifty 50 Index Future Expiry August 2017	(21,230)	(0.01)
53	Stoxx 600 Oil & Gas Future Expiry September 2017	(1,858)	—
178	Stoxx 600 Utilities Future Expiry September 2017	29,369	0.02
39	XAE Energy Future Expiry September 2017	(89,165)	(0.07)
55	XAU Utilities Future Expiry September 2017	54,620	0.04
(55)	AUD/USD Currency Future Expiry September 2017	(122,718)	(0.09)
23	EUR/GBP Currency Future Expiry September 2017	52,334	0.04
(50)	EUR/USD Currency Future Expiry September 2017	(91,034)	(0.07)
23	GBP/USD Currency Future Expiry September 2017	(18,217)	(0.01)
60	INR/USD Currency Future Expiry August 2017	7,812	0.01
273	USD/KRW Currency Future Expiry September 2017	10,804	0.01
		<b>(377,237)</b>	<b>(0.28)</b>
<b>Portfolio of investments<sup>2</sup></b>		<b>124,725,443</b>	<b>92.14</b>
<b>Net other assets<sup>3</sup></b>		<b>10,634,467</b>	<b>7.86</b>
<b>Total net assets</b>		<b>£135,359,910</b>	<b>100.00%</b>

<sup>1</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes £4,508,945 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Sub-fund.

Total purchases for the year: £44,807,281.

Total sales for the year: £3,324,325.

# Legal & General Multi-Index 7 Fund

## Financial Statements

### Statement of Total Return for the year ended 15 August 2017

Notes	16/08/16 to 15/08/17		16/06/15 to 15/08/16*	
	£	£	£	£
<b>Income</b>				
Net capital gains	3	9,277,263	6,279,829	
Revenue	4	2,978,747	1,920,996	
Expenses	5	(303,844)	(192,380)	
Interest payable and similar charges	7	<u>(1,230)</u>	<u>(1,701)</u>	
Net revenue before taxation		2,673,673	1,726,915	
Taxation	6	<u>(147,499)</u>	<u>(72,841)</u>	
Net revenue after taxation for the year		<u>2,526,174</u>	<u>1,654,074</u>	
Total return before distributions		11,803,437	7,933,903	
Distributions	7	<u>(2,527,129)</u>	<u>(1,654,665)</u>	
Change in net assets attributable to Unitholders from investment activities		<u><b>£9,276,308</b></u>	<u><b>£6,279,238</b></u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 August 2017

	16/08/16 to 15/08/17		16/06/15 to 15/08/16*	
	£	£	£	£
Opening net assets attributable to Unitholders		76,080,865	37,487,288	
Amounts received on issue of units		53,435,711	36,672,609	
Amounts paid on cancellation of units		<u>(6,114,574)</u>	<u>(6,079,069)</u>	
		47,321,137	30,593,540	
Change in net assets attributable to Unitholders from investment activities		9,276,308	6,279,238	
Retained distributions on accumulation units		<u>2,681,600</u>	<u>1,720,799</u>	
Closing net assets attributable to Unitholders		<u><b>£135,359,910</b></u>	<u><b>£76,080,865</b></u>	

### Balance Sheet as at 15 August 2017

Notes	15/08/17 £	15/08/16* £
<b>ASSETS</b>		
Fixed assets:		
Investments	125,308,958	74,277,266
Current assets:		
Debtors	8 1,256,196	1,066,259
Cash and bank balances	9 5,267,712	1,959,288
Cash equivalents	9 4,508,945	—
<b>Total assets</b>	<b><u>136,341,811</u></b>	<b><u>77,302,813</u></b>
<b>LIABILITIES</b>		
Investment liabilities	(583,515)	(917,496)
Creditors:		
Bank overdrafts	9 (494)	(90,406)
Distributions payable	(79,537)	(19,430)
Other creditors	10 (318,355)	(194,616)
<b>Total liabilities</b>	<b><u>(981,901)</u></b>	<b><u>(1,221,948)</u></b>
<b>Net assets attributable to Unitholders</b>	<b><u>£135,359,910</u></b>	<b><u>£76,080,865</u></b>

\* The accounting year end date changed from 15 June to 15 August 2016.

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements

### 1-2. Statement of Compliance and Accounting Policies

The statement of compliance and accounting policies for notes 1 and 2 are the same as those disclosed in the notes to the financial statements on pages 8 to 9.

### 3. Net capital gains

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
The net capital gains during the year comprise:		
Non-derivative securities (unrealised) <sup>1</sup>	9,038,259	8,498,586
Non-derivative securities (realised) <sup>1</sup>	305,905	(484,576)
Derivative securities (unrealised) <sup>1</sup>	347,662	(716,816)
Derivative securities (realised) <sup>1</sup>	(419,050)	(1,106,402)
Currency (losses)/gains	(394)	86,084
Management fee rebates	4,881	2,953
Net capital gains	<u>9,277,263</u>	<u>6,279,829</u>

\* The realised gains/(losses) on investments in the accounting year includes amounts previously recognised as unrealised gains/(losses) in the prior accounting period.

### 4. Revenue

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
UK Franked distributions	1,944,837	1,365,664
Interest distributions	684,010	330,826
Management fee rebates	113,731	70,408
Property income distributions	138,018	135,255
Futures revenue	96,668	18,224
Bank interest	1,483	619
	<u>2,978,747</u>	<u>1,920,996</u>

### 5. Expenses

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>303,844</u>	<u>192,380</u>
Total expenses	<u>303,844</u>	<u>192,380</u>

Audit fees of £7,920 plus VAT of £1,584 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £7,800 plus VAT of £1,560.

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Corporation Tax	146,743	72,841
Prior year adjustment	756	—
Current tax [note 6(b)]	147,499	72,841
Deferred tax [note 6(c)]	—	—
Total taxation	<u>147,499</u>	<u>72,841</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>2,673,673</u>	<u>1,726,915</u>
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	534,735	345,383
<b>Effects of:</b>		
Revenue not subject to taxation	(388,967)	(273,133)
Capitalised revenue subject to taxation	975	591
Prior year adjustment	756	—
Current tax	<u>147,499</u>	<u>72,841</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Interim distributions	1,037,167	1,532,853
Final distribution	<u>1,783,758</u>	<u>307,563</u>
	2,820,925	1,840,416
Add: Revenue deducted on cancellation of units	44,676	25,506
Less: Revenue received on creation of units	<u>(338,472)</u>	<u>(211,257)</u>
<b>Distributions for the year</b>	<b><u>2,527,129</u></b>	<b><u>1,654,665</u></b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>1,230</u>	<u>1,701</u>
	<u>2,528,359</u>	<u>1,656,366</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	16/08/16 to 15/08/17 £	16/06/15 to 15/08/16 £
Net revenue after taxation for the year	2,526,174	1,654,074
Equalisation uplift on unit conversions	(20)	—
Add: Tax effect of capitalised revenue	<u>975</u>	<u>591</u>
<b>Distributions for the year</b>	<b><u>2,527,129</u></b>	<b><u>1,654,665</u></b>

### 8. Debtors

	15/08/17 £	15/08/16 £
Accrued revenue	700,418	423,035
Amounts receivable for creation of units	529,983	574,797
CIS tax recoverable	5,718	57,878
Management fee rebates	<u>20,077</u>	<u>10,549</u>
	<u>1,256,196</u>	<u>1,066,259</u>

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/08/17 £	15/08/16 £
Amounts held at futures clearing houses and brokers	1,740,550	1,223,635
Cash and bank balances	3,527,162	735,653
Bank overdrafts	(494)	(90,406)
Cash equivalents	4,508,945	—
Net uninvested cash	<u>9,776,163</u>	<u>1,868,882</u>

### 10. Other Creditors

	15/08/17 £	15/08/16 £
Accrued expenses	27,723	15,941
Corporation tax payable	75,743	73,228
Amounts payable for cancellation of units	24,889	105,447
Purchases awaiting settlement	190,000	—
	<u>318,355</u>	<u>194,616</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 August 2016: same).

### 12. Financial Instruments and Associated Risks

The investments of a Sub-fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Sub-fund.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Sub-fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM Board. The Schedule provides the detail needed to determine the risk profile for each Sub-fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Sub-fund is detailed on page 151.

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued

### (a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Sub-fund can be seen in the Portfolio Statement starting on page 153. Movements in the prices of these investments result in movements in the performance of the Sub-fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Sub-fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 August 2017, if the price of the investments held by the Sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £6,236,272 (15 August 2016: £3,667,989).

### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Sub-fund is exposed to interest rate risk through its holdings in Collective Investment Schemes that invest in interest bearing debt securities. The market value of debt securities and any floating rate payments from them may fluctuate as a result of changes in interest rates. This risk is managed by this Sub-fund, and the underlying funds, by the active monitoring and adjustment of the investments held by the Sub-funds, in line with the stated investment objective and policy of the Sub-fund.

At 15 August 2017, the Sub-fund held £12,983,953 (9.59% of the net asset value of the Sub-fund) of investments in interest bearing funds. The Sub-fund's only other interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited, and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As this Sub-fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 15 August 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £13,266 (15 August 2016: £40,578).

The direct foreign currency profile of the Sub-fund's net assets at the balance sheet date was:

15/08/17 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	(3,153)	(41)	(3,194)
Euro	(2,751)	33	(2,718)
Indian Rupee	1,453	—	1,453
South Korean Won	(1,978)	—	(1,978)
US dollar	7,979	(215)	7,764

15/08/16 Currency	Net Foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(1,789)	—	(1,789)
Japanese Yen	(2,977)	—	(2,977)
South-Korean Won	(52)	6	(46)
US Dollar	2,317	(668)	1,649

### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

As this Sub-fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Sub-fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Sub-fund's investment objective and policy.

The Sub-fund's holdings in Futures expose the Sub-fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Sub-fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions and by obtaining collateral from the counterparties in a form and level which complies with the terms of the collateral agreements with the counterparty. The collateral will be used to reduce counterparty default risk exposure.

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued (g) Fair value

### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Sub-fund is the liability to Unitholders for any cancellation of units.

The Sub-fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

### (f) Derivative Risk — Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Sub-fund made use of the following derivatives:

#### Futures

Futures can be used to adjust the duration and interest rate risk of the Sub-fund, or to alter the Sub-fund's exposure to different market segments, in a cost effective manner. The effect of these instruments was to increase the exposure of the Sub-fund by £10,608,684 (15 August 2016: £390,350), representing 7.84% of the net asset value (15 August 2016: £0.51%).

This resulted in an effective equity exposure at the year end of 99.98% (15 August 2016: 97.11%) of net assets, which means that the gains or losses of the Sub-fund will be 0.9998 (15 August 2016: 0.9711) times the gains or losses if the Sub-fund was fully invested in equities.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Sub-fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Sub-fund's financial instruments as at the balance sheet date were:

15/08/17 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	206,278	(583,515)
Level 2 – Observable Market Data	125,102,680	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>125,308,958</b>	<b>(583,515)</b>

15/08/16 Basis of Valuation	Assets £	Liabilities £
Level 1 – Quoted Prices	192,597	(917,496)
Level 2 – Observable Market Data	74,084,669	—
Level 3 – Unobservable Data	—	—
<b>Total</b>	<b>74,277,266</b>	<b>(917,496)</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

15/08/17 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	44,807	—	—	—	—	44,807
<b>Total</b>	<b>44,807</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>44,807</b>

15/08/17 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	3,324	—	—	—	—	3,324
<b>Total</b>	<b>3,324</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,324</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

15/08/16 Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	37,501	—	—	—	—	37,501
<b>Total</b>	<b>37,501</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>37,501</b>

15/08/16 Sales	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Collective Investment Schemes	7,656	—	—	—	—	7,656
<b>Total</b>	<b>7,656</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,656</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.45% (15 August 2016: 0.61%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 170. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 164 to 168. The distributions per unit class are given in the distribution tables on pages 162 to 163. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	5,900	259,633
Units cancelled	—	(32,801)
Units converted	—	—
Closing Units	5,900	226,832

F-Class	Distribution	Accumulation
Opening Units	1,017	72,954
Units issued	—	178,708
Units cancelled	—	(8,268)
Units converted	—	—
Closing Units	1,017	243,394

I-Class	Distribution	Accumulation
Opening Units	6,818,340	93,720,515
Units issued	2,723,793	66,085,320
Units cancelled	(1,790,352)	(4,970,352)
Units converted	26,329	424,699
Closing Units	7,778,110	155,260,182

C-Class	Distribution	Accumulation
Opening Units	1,103,786	16,287,836
Units issued	379,632	7,694,924
Units cancelled	(308,125)	(1,969,041)
Units converted	(26,329)	(423,892)
Closing Units	1,148,964	21,589,827

L-Class	Distribution
Opening Units	1,014
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	1,014

# Legal & General Multi-Index 7 Fund

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Sub-fund because it provides key management personnel services to the Sub-fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Sub-fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Sub-fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Sub-fund plus any rebates paid by the Authorised Fund Manager to the Sub-fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Sub-fund, or rebates receivable by the Sub-fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 0.68% (1.08% as at 15 August 2016) of the Sub-fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 72.99p. The Net Asset Value per I-Class accumulation unit for the Sub-fund as at 3pm on 4 October 2017 was 73.54p. This represents an increase of 0.75% from the year end value.

# Legal & General Multi-Index 7 Fund

## Distribution Tables

### Distribution Tables for the year ended 15 August 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

	1st Interim dividend distribution in pence per unit		Period 16/08/16 to 15/02/2017	
	Net		Distribution	Distribution
	Revenue	Equalisation	15/04/17	15/02/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	0.6214	—	0.6214	0.7660
Group 2	—	0.6214	0.6214	0.7660
<b>F-Class Accumulation Units</b>				
Group 1	0.6657	—	0.6657	0.7938
Group 2	0.0055	0.6602	0.6657	0.7938
<b>I-Class Distribution Units</b>				
Group 1	0.6858	—	0.6858	0.8068
Group 2	0.1671	0.5187	0.6858	0.8068
<b>I-Class Accumulation Units</b>				
Group 1	0.7343	—	0.7343	0.8386
Group 2	0.1416	0.5927	0.7343	0.8386
<b>C-Class Distribution Units</b>				
Group 1	0.7082	—	0.7082	0.8223
Group 2	0.0850	0.6232	0.7082	0.8223
<b>C-Class Accumulation Units</b>				
Group 1	0.7596	—	0.7596	0.8548
Group 2	0.2336	0.5260	0.7596	0.8548
<b>L-Class Distribution Units</b>				
Group 1	0.7672	—	0.7672	0.8602
Group 2	—	0.7672	0.7672	0.8602

	2nd Interim dividend distribution in pence per unit		Period N/A*	
	Net		Distribution	Distribution
	Revenue	Equalisation	N/A	14/08/16*
<b>R-Class Distribution Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>R-Class Accumulation Units**</b>				
Group 1	—	—	—	—
Group 2	—	—	—	—
<b>F-Class Distribution Units</b>				
Group 1	—	—	—	0.5476
Group 2	—	—	—	0.5476
<b>F-Class Accumulation Units</b>				
Group 1	—	—	—	0.5831
Group 2	—	—	—	0.5831
<b>I-Class Distribution Units</b>				
Group 1	—	—	—	0.5908
Group 2	—	—	—	0.5908
<b>I-Class Accumulation Units</b>				
Group 1	—	—	—	0.6238
Group 2	—	—	—	0.6238
<b>C-Class Distribution Units</b>				
Group 1	—	—	—	0.6048
Group 2	—	—	—	0.6048
<b>C-Class Accumulation Units</b>				
Group 1	—	—	—	0.6405
Group 2	—	—	—	0.6405
<b>L-Class Distribution Units</b>				
Group 1	—	—	—	0.6410
Group 2	—	—	—	0.6410

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 7 Fund

## Distribution Tables continued

Final dividend distribution in pence per unit	Net		Period	
			16/02/17 to 15/08/17	
	Revenue	Equalisation	Distribution 15/10/17	Distribution 15/10/16*
<b>R-Class Distribution Units**</b>				
Group 1	0.5313	—	0.5313	—
Group 2	0.2389	0.2924	0.5313	—
<b>R-Class Accumulation Units**</b>				
Group 1	0.5314	—	0.5314	—
Group 2	0.1868	0.3446	0.5314	—
<b>F-Class Distribution Units</b>				
Group 1	0.8259	—	0.8259	0.2261
Group 2	—	0.8259	0.8259	0.2261
<b>F-Class Accumulation Units</b>				
Group 1	0.8864	—	0.8864	0.2441
Group 2	0.7820	0.1044	0.8864	0.2441
<b>I-Class Distribution Units</b>				
Group 1	0.8878	—	0.8878	0.2444
Group 2	0.5100	0.3778	0.8878	0.2444
<b>I-Class Accumulation Units</b>				
Group 1	0.9588	—	0.9588	0.2607
Group 2	0.5963	0.3625	0.9588	0.2607
<b>C-Class Distribution Units</b>				
Group 1	0.9074	—	0.9074	0.2496
Group 2	0.5300	0.3774	0.9074	0.2496
<b>C-Class Accumulation Units</b>				
Group 1	0.9828	—	0.9828	0.2678
Group 2	0.5396	0.4432	0.9828	0.2678
<b>L-Class Distribution Units</b>				
Group 1	0.9694	—	0.9694	0.2593
Group 2	—	0.9694	0.9694	0.2593

\* The accounting year end date changed from 15 June to 15 August 2016.

\*\* R-Class launched 27 March 2017- See Significant Changes on page 172.

# Legal & General Multi-Index 7 Fund

## Sub-fund Information

The Comparative Tables on pages 164 to 168 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Sub-fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	2.34
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	2.19
Distributions on income units	(0.53)
Closing net asset value per unit	51.66
* after direct transaction costs of:	—

#### Performance

Return after charges 4.38%

#### Other Information

Closing net asset value (£)	3,048
Closing number of units	5,900
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%

#### Prices

Highest unit price	52.62p
Lowest unit price	49.53p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

**Past performance is not a guide to future performance.**

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

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# Legal & General Multi-Index 7 Fund

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 <sup>^</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	2.35
Operating charges (calculated on average price)	(0.15)
Return after operating charges*	2.20
Distributions	(0.53)
Retained distributions on accumulation units	0.53
Closing net asset value per unit	52.20
* after direct transaction costs of:	—
<b>Performance</b>	
Return after charges	4.40%
<b>Other Information</b>	
Closing net asset value (£)	118,403
Closing number of units	226,832
Operating charges <sup>†</sup>	0.76%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest unit price	52.61p
Lowest unit price	49.53p

<sup>^</sup> R-Class launched 27 March 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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### F-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.28	56.49	52.82
Return before operating charges*	7.76	5.59	7.66
Operating charges (calculated on average price)	(0.32)	(0.27)	(0.28)
Return after operating charges*	7.44	5.32	7.38
Distributions on income units	(1.45)	(1.53)	(3.71)
Closing net asset value per unit	66.27	60.28	56.49
* after direct transaction costs of:	—	—	—
<b>Performance</b>			
Return after charges	12.34%	9.42%	13.97%
<b>Other Information</b>			
Closing net asset value (£)	674	613	505
Closing number of units	1,017	1,017	894
Operating charges <sup>†</sup>	0.50%	0.50%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest unit price	67.49p	60.91p	63.00p
Lowest unit price	58.35p	48.66p	51.00p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

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# Legal & General Multi-Index 7 Fund

## Comparative Tables continued

### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	64.50	58.61	53.56
Return before operating charges*	8.44	6.17	5.33
Operating charges (calculated on average price)	(0.35)	(0.28)	(0.28)
Return after operating charges*	8.09	5.89	5.05
Distributions Retained distributions on accumulation units	(1.55)	(1.62)	(1.17)
	1.55	1.62	1.17
Closing net asset value per unit	72.59	64.50	58.61

\* after direct transaction costs of: — — —

#### Performance

Return after charges	12.54%	10.05%	9.43%
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#### Other Information

Closing net asset value (£)	176,684	47,056	17,104
Closing number of units	243,394	72,954	29,184
Operating charges†	0.50%	0.50%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	73.19p	64.92p	62.06p
Lowest unit price	62.44p	51.32p	51.72p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.45	56.54	52.80
Return before operating charges*	7.86	5.72	5.12
Operating charges (calculated on average price)	(0.20)	(0.17)	(0.18)
Return after operating charges*	7.66	5.55	4.94
Distributions on income units	(1.57)	(1.64)	(1.20)
Closing net asset value per unit	66.54	60.45	56.54

\* after direct transaction costs of: — — —

#### Performance

Return after charges	12.67%	9.82%	9.36%
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#### Other Information

Closing net asset value (£)	5,175,671	4,121,809	2,406,827
Closing number of units	7,778,110	6,818,340	4,256,526
Operating charges†	0.31%	0.31%	0.32%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	67.97p	61.09p	60.34p
Lowest unit price	58.50p	48.79p	51.01p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 7 Fund

## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	64.75	58.72	53.63
Return before operating charges*	8.45	6.21	5.28
Operating charges (calculated on average price)	(0.21)	(0.18)	(0.19)
Return after operating charges*	8.24	6.03	5.09
Distributions	(1.69)	(1.72)	(1.23)
Retained distributions on accumulation units	1.69	1.72	1.23
Closing net asset value per unit	72.99	64.75	58.72

\* after direct transaction costs of: — — —

#### Performance

Return after charges	12.73%	10.72%	9.49%
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#### Other Information

Closing net asset value (£)	113,327,519	60,680,486	29,816,735
Closing number of units	155,260,182	93,720,515	50,780,657
Operating charges†	0.31%	0.31%	0.32%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	73.58p	65.17p	62.16p
Lowest unit price	62.69p	51.47p	51.81p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.44	56.53	52.83
Return before operating charges*	7.86	5.71	5.08
Operating charges (calculated on average price)	(0.15)	(0.13)	(0.14)
Return after operating charges*	7.71	5.58	4.94
Distributions on income units	(1.62)	(1.67)	(1.24)
Closing net asset value per unit	66.53	60.44	56.53

\* after direct transaction costs of: — — —

#### Performance

Return after charges	12.76%	9.87%	9.35%
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#### Other Information

Closing net asset value (£)	764,418	667,171	123,583
Closing number of units	1,148,964	1,103,786	218,628
Operating charges†	0.24%	0.24%	0.25%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	67.98p	61.09p	60.34p
Lowest unit price	58.50p	48.78p	51.02p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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# Legal & General Multi-Index 7 Fund

## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	64.85	58.77	53.66
Return before operating charges*	8.47	6.22	5.26
Operating charges (calculated on average price)	(0.17)	(0.14)	(0.15)
Return after operating charges*	8.30	6.08	5.11
Distributions	(1.74)	(1.76)	(1.27)
Retained distributions on accumulation units	1.74	1.76	1.27
Closing net asset value per unit	73.15	64.85	58.77

\* after direct transaction costs of: — — —

#### Performance

Return after charges	12.80%	10.35%	9.52%
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#### Other Information

Closing net asset value (£)	15,792,818	10,563,117	5,122,045
Closing number of units	21,589,827	16,287,836	8,715,002
Operating charges†	0.24%	0.24%	0.25%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	73.74p	65.27p	62.22p
Lowest unit price	62.79p	51.54p	51.85p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

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### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting year ending	15/08/17 (pence per unit)	15/08/16 <sup>^</sup> (pence per unit)	15/06/15 (pence per unit)
Opening net asset value per unit	60.45	55.57	52.82
Return before operating charges*	7.90	6.67	5.11
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.04)
Return after operating charges*	7.86	6.64	5.07
Distributions on income units	(1.74)	(1.76)	(2.32)
Closing net asset value per unit	66.57	60.45	55.57

\* after direct transaction costs of: — — —

#### Performance

Return after charges	13.00%	11.95%	9.60%
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#### Other Information

Closing net asset value (£)	675	613	489
Closing number of units	1,014	1,014	880
Operating charges†	0.06%	0.06%	0.07%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	68.04p	61.12p	60.41p
Lowest unit price	58.52p	48.79p	51.06p

<sup>^</sup> The accounting date changed from 15 June to 15 August 2016.

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds less any rebates received, weighted on the basis of their investment proportion.

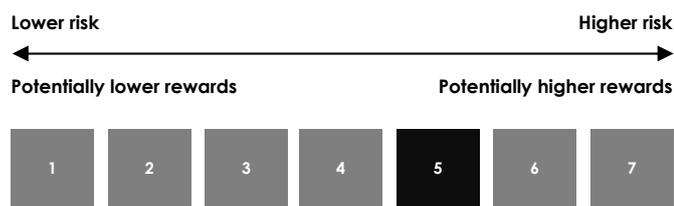
**Past performance is not a guide to future performance.**

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# Legal & General Multi-Index 7 Fund

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Sub-fund and a representative mix of the underlying funds have moved up and down in the past.
- This Sub-fund is in category five because it invests, through other funds, in company shares, with some exposure to other asset types. Company shares generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property. The level of risk in the Sub-fund is managed by restricting the types and proportions of the assets it holds.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

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

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

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

# Legal & General Multi-Index Funds

## General Information

### Constitution

Launch date:	21 August 2013
Period end dates for distributions:	15 August (Final), 15 February (Interim) and 15 of each month for monthly distributing Sub-funds <sup>^</sup>
Distribution dates:	15 October (Final), 15 April (Interim) and 14 of each month for monthly distributing Sub-funds <sup>^</sup>
Minimum initial lump sum investment:	R-Class* £500 F-Class** £500 I-Class £1,000,000 C-Class*** £100,000,000 L-Class† £500,000
Valuation point:	3pm
Fund management fees:	R-Class* Annual 0.76% F-Class** Annual 0.50% I-Class Annual 0.31% C-Class*** Annual 0.24% L-Class† Annual 0.06%
Initial charge:	Nil

<sup>^</sup>The Fund's policy is to distribute revenue monthly for the L&G Multi-Index Income 4 Fund, L&G Multi-Index Income 5 Fund and L&G Multi-Index Income 6 Fund. All other Sub-funds distribute revenue bi-annually.

\*With effect from 27 March 2017 – See Significant Changes on page 172.

\*\*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 Scheme 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.

†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](http://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. 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 Fund 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.

### EU Savings Directive

The Scheme 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 Scheme 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.

# Legal & General Multi-Index Funds

## General Information continued

### Dual Pricing Arrangement

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

### Leverage

In accordance with the requirements of AIFMD regulations, the AIFMD must set a maximum level of leverage for each Sub-fund and report to investors the total amount of leverage employed by the Scheme. Arrangements must also be in place to ensure compliance with the leverage limits.

The leverage limits and the actual leverage employed at the balance sheet date were:

<b>Leverage Limit</b>	<b>Gross</b>	<b>Commitment</b>
Legal & General Multi-Index Funds	300%	200%
<b>Actual</b>	<b>Gross</b>	<b>Commitment</b>
Legal & General Multi-Index 3 Fund	103%	102%
Legal & General Multi-Index 4 Fund	111%	110%
Legal & General Multi-Index Income 4 Fund	111%	109%
Legal & General Multi-Index 5 Fund	116%	116%
Legal & General Multi-Index Income 5 Fund	131%	129%
Legal & General Multi-Index 6 Fund	121%	121%
Legal & General Multi-Index Income 6 Fund	131%	129%
Legal & General Multi-Index 7 Fund	128%	126%

### Remuneration Disclosure

In accordance with the Alternative Investment Fund Managers Directive (AIFMD), the Legal & General Multi-Index Funds, as an Alternative Investment Fund (AIF), is required to disclose the aggregate remuneration paid by the Alternative Investment Fund Manager (AIFM) and by the AIF to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the AIF. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the company and the funds we manage:

#### Controlled Functions

<b>Headcount</b>	<b>Fixed Remuneration (£,000)</b>	<b>Variable Remuneration (£,000)</b>	<b>Remuneration related to this Fund (Pro-rated) (£'000)</b>
16	3,278	5,980	333

#### Material Risk Takers

<b>Headcount</b>	<b>Fixed Remuneration (£,000)</b>	<b>Variable Remuneration (£,000)</b>	<b>Remuneration related to this Fund (Pro-rated) (£'000)</b>
25	3,117	1,977	173

#### Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

# Legal & General Multi-Index Funds

## General Information continued

### Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Asset Allocation Fund Management team, which consists of 25 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

### Significant Changes

#### New Unit Class: R-Class

With effect from 27 March 2017, R-Class units have launched within each Sub-fund with accumulation and distribution units available.

#### Change in Investment Objective and Policy

As disclosed on pages 10, 29, 69, 110 and 151, the Investment Objective and Policy has changed for the L&G Multi-Index 3 Fund, L&G Multi-Index 4 Fund, L&G Multi-Index 5 Fund, L&G Multi-Index 6 Fund and L&G Multi-Index 7 Fund on 3 July 2017.

#### Change of Distribution Type

With effect from 3 July 2017 for the L&G Multi-Index 3 Fund, and with effect from 16 August 2017 for the L&G Multi-Index Income 4 Fund, the form in which any income payments are made from these Sub-funds are made has changed from Dividend payments to Interest payments. The Manager is making this change as it will be more tax efficient for the Fund. However any increase in performance may be offset or even reversed depending on the tax position of each investor. If you are unsure of how this change will affect you, we recommend seeking specialist tax advice. This change will not affect the management or investment process of the Fund.

## 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. Toutounchi\*  
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  
One Coleman Street,  
London EC2R 5AA



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

Legal & General

(Unit Trust Managers) Limited

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Registered office:

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