

Legal & General Short Dated  
Sterling Corporate Bond Index Fund

**Annual Manager's Report**  
**for the year ended**  
**15 February 2020**





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

# Manager's Investment Report

## Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out below.

### Prior to 7 August 2019

The Fund aims to track the total return of the Markit iBoxx Sterling Corporates 1-5 Index (the "Index") (after adjustment for management charges and taxation).

The Fund will invest primarily in the securities that make up the constituents of the Index. The bonds the Fund invests in will be primarily composed of short dated investment grade Sterling denominated corporate bonds and will be held with weightings generally proportionate to the weightings in the Index.

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

The Fund may hold derivatives for the purposes of Efficient Portfolio Management.

### From 7 August 2019

The objective of the Fund is to provide a combination of growth and income by tracking the performance of the Markit iBoxx GBP Corporates 1-5 Index, the "Benchmark Index". This objective is after the deduction of charges and taxation.

The Benchmark Index is comprised of investment grade corporate bonds that are short dated (i.e. up to 5 years in maturity) and denominated in British Pounds.

The Fund is a Replicating Fund as it seeks to replicate as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The Fund will have at least 90% exposure to assets that are included in the Benchmark Index.

The Fund may also invest in bonds which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an associate of the Manager as well as money market instruments (such as treasury bills), cash and permitted deposits.

The Fund may only use derivatives for Efficient Portfolio Management purposes.

## Manager's Investment Report

During the year under review, the bid price of the Fund's I-Class accumulation units rose by 4.56%. Markit iBoxx, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review year, the Fund performance was 4.64%, compared with the Index performance of 4.67%, producing a tracking difference of -0.03%.

**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.**

## Manager's Investment Report continued

Any intellectual property rights in any index referred to herein shall remain the exclusive property of the relevant index provider and/or its licensors (the "Index Provider"). The Index Provider does not sponsor, endorse or promote this product and is not in any way connected to Legal & General (Unit Trust Managers) Limited. Legal & General has obtained full licence from the Index Provider to use such copyright in the creation of this product.

"iBoxx" is a registered trademark of International Index Company (IIC), a wholly-owned subsidiary of Markit Group.

### Market/Economic Review

Over the last 12 months, global economic indicators have highlighted a synchronised slowdown although activity continues to expand. The closely-watched global manufacturing PMI composite Index fell back to its lowest level for over three and a half years last October, before activity regained some momentum into the new year. This was partly a result of the US-China trade dispute, but also reflective of a slowdown in the Chinese economy. Worldwide, inflationary pressures have remained subdued by historical standards. Although periodic geopolitical tensions have underpinned the oil price, with an attack that briefly knocked out more than half of all production in Saudi Arabia, the world's biggest crude exporter, continued growth in US shale production placed a cap on the upside.

In the UK, political uncertainty has weighed on economic activity, particularly business investment spending, with precariousness as to the outcome of Brexit negotiations and the implications for future trade with the EU. The UK government agreed a revised withdrawal agreement with the EU in October with an extended deadline for withdrawal paving the way for a general election in December. The economy avoided a recession in the third quarter, having contracted over the three months to June. The dominant services sector stagnated, while business investment was also sluggish, hampered by persistent Brexit and trade uncertainties.

Government bond yields reacted significantly to the initial Coronavirus headlines in January, and remained subdued even while credit and equity markets staged their recovery, implying that investors still expected some monetary policy loosening to counteract the negative economic impact of China's containment policies.

Bond markets underperformed equities, although periodic financial market volatility triggered demand for 'safe-haven' assets, and government bond markets gained ground over the year as the major central banks have loosened monetary policy. Nevertheless, investors have preferred higher yielding alternatives to the core government bond markets. In the UK, although inflationary pressures have remained subdued index-linked gilts have performed comparatively well as demand for inflation-proofing from institutional investors has underpinned the market.

### Fund Review

All investment activity was prompted either by unit holder activity or by monthly changes in the profile of the benchmark. During the year, 84 bonds were added to the Index whilst 63 bonds left the benchmark. The Fund participated in almost all new issue during the year as well as several corporate actions across a range of sectors and issuers.

The Fund experienced net positive cash flow during the year. The cash flows were used to adjust the Fund's holdings in such a way so as to ensure the Fund maintained an Index distribution at all times. The Fund was also rebalanced at each month end in line with the revised Index distribution.

## Manager's Investment Report continued

### Outlook

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of mid-March 2020, the virus has sickened around 200,000 people, resulting in around 7,500 deaths. The virus has spread across the Globe, with major outbreaks across the Middle East, Europe and America, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak.

The impact on the Firm will take longer to assess however the Company has enacted its business continuity plans and continue to monitor this situation closely.

Looking ahead, the focus will remain on the Coronavirus and policies put in place to halt its spread, as well as mitigating fiscal and monetary support. Markets price in an extended period of economic weakness, but with a relatively swift recovery boosted by interest rate cuts and government support. The infection trend during February suggests that a more dramatic recovery is unlikely, but such a scenario would probably lead to a significant market recovery alongside higher government bond yields. On the downside, we could see a more prolonged recession take place if the Coronavirus continues to spread and governments implement more aggressive containment policies; this argues for a cautious stance towards risk, although valuations could become attractive enough to start adding exposure at some point.

The Fund remains well positioned to capture the performance of the Short-Dated Corporate Bond market.

### Important note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The impact on the Firm will take longer to assess; however, the Company has enacted its business continuity plans, with a large number of staff working remotely. Our technology and IT infrastructure supports large scale remote working, with our Investment Management Teams able to work in a 'business as usual' manner. We remain in regular contact with all key suppliers and we continue to monitor this situation closely.

The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, as well as on the actions taken by governments and central banks.

Legal & General Investment Management Limited  
(Investment Adviser)  
20 March 2020

## Authorised Status

### Authorised Status

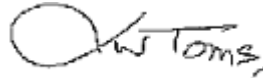
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven  
(Director)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
30 April 2020

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- 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; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.



## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Short Dated Sterling Corporate Bond Index Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), 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 Fund and its investors.

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

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund 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 Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

## Report of the Trustee

### **Report of the Trustee to the Unitholders of the Legal & General Short Dated Sterling Corporate Bond Index Fund ("the Fund") for the year ended 15 February 2020**

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

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

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

Northern Trust Global Services SE UK Branch  
UK Trustee and Depositary Services  
30 April 2020

## Portfolio Statement

### Portfolio Statement as at 15 February 2020

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 February 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>CORPORATE BONDS</b>		
	<b>— 96.64% (95.54%)</b>		
	<b>UNITED KINGDOM</b>		
	<b>— 38.76% (39.61%)</b>		
GBP2,700,000	3i Group 6.875% 09/03/2023	3,132,108	0.19
GBP1,930,000	Anglian Water Services Financing 5.837% 30/07/2022	2,153,733	0.13
GBP4,150,000	Anglian Water Services Financing 6.875% 21/08/2023	4,976,804	0.31
GBP2,600,000	Arqiva Financing 4.04% 30/06/2035	2,624,144	0.16
GBP4,150,000	Aviva 6.625% 03/06/2041	4,418,961	0.27
GBP4,242,000	Aviva 5.902% Open Maturity	4,313,690	0.27
GBP7,090,000	Aviva 6.125% Open Maturity	7,850,247	0.49
GBP5,500,000	BAE Systems 4.125% 08/06/2022	5,870,161	0.36
GBP13,850,000	Barclays 2.375% 06/10/2023	14,140,573	0.88
GBP14,575,000	Barclays 3.125% 17/01/2024	15,398,225	0.95
GBP23,100,000	Barclays Bank 10% 21/05/2021	25,515,013	1.58
GBP1,460,000	Barclays Bank 9.5% 07/08/2021	1,624,862	0.10
GBP421,000	Barclays Bank 7.125% Open Maturity	436,366	0.03
GBP4,752,000	BAT International Finance 1.75% 05/07/2021	4,788,628	0.30
GBP1,200,000	BAT International Finance 6% 29/06/2022	1,331,002	0.08
GBP6,739,000	BAT International Finance 7.25% 12/03/2024	8,229,465	0.51
GBP545,000	Birmingham Airport Finance 6.25% 22/02/2021	571,432	0.04
GBP8,000,000	BP Capital Markets 1.177% 12/08/2023	8,054,128	0.50
GBP4,368,000	BP Capital Markets 2.03% 14/02/2025	4,552,338	0.28
GBP3,217,000	British Telecommunications 8.625% 26/03/2020	3,242,125	0.20
GBP1,000,000	Bunzl Finance 2.25% 11/06/2025	1,027,502	0.06
GBP2,800,000	Bupa Finance 3.375% 17/06/2021	2,883,826	0.18
GBP6,385,000	Bupa Finance 5% 25/04/2023	7,024,305	0.43
GBP4,850,000	Bupa Finance 2% 05/04/2024	5,016,083	0.31
GBP1,502,000	Bupa Finance 6.125% Open Maturity	1,535,795	0.09
GBP3,099,000	Cadent Finance 1.125% 22/09/2021	3,107,659	0.19
GBP2,000,000	Centrica 6.375% 10/03/2022	2,213,568	0.14
GBP2,050,000	Close Brothers Finance 3.875% 27/06/2021	2,125,245	0.13
GBP3,517,000	Close Brothers Group 2.75% 26/04/2023	3,664,883	0.23
GBP5,719,000	Coventry Building Society 5.875% 28/09/2022	6,405,474	0.40
GBP5,123,000	Coventry Building Society 1.5% 23/01/2023	5,160,890	0.32

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM — (cont.)</b>			
GBP5,500,000	Coventry Building Society 1.875% 24/10/2023	5,622,006	0.35
GBP2,288,000	Direct Line Insurance Group 9.25% 27/04/2042	2,668,389	0.17
GBP3,200,000	Dwr Cymru Financing 6.907% 31/03/2021	3,405,437	0.21
GBP2,200,000	Eastern Power Networks 4.75% 30/09/2021	2,330,676	0.14
GBP4,750,000	Eastern Power Networks 5.75% 08/03/2024	5,595,367	0.35
GBP1,350,000	ENW Finance 6.125% 21/07/2021	1,443,431	0.09
GBP4,365,000	Experian Finance 3.5% 15/10/2021	4,516,099	0.28
GBP6,000,000	Experian Finance 2.125% 27/09/2024	6,246,204	0.39
GBP1,550,000	FCE Bank 3.25% 19/11/2020	1,566,380	0.10
GBP3,100,000	FCE Bank 2.727% 03/06/2022	3,148,304	0.19
GBP1,853,000	FirstGroup 8.75% 08/04/2021	1,997,089	0.12
GBP4,100,000	FirstGroup 5.25% 29/11/2022	4,454,281	0.28
GBP4,000,000	FirstGroup 6.875% 18/09/2024	4,726,120	0.29
GBP1,070,000	Friends Life 12% 21/05/2021	1,212,543	0.07
GBP5,729,000	Friends Life 8.25% 21/04/2022	6,582,529	0.41
GBP2,685,000	Go-Ahead Group 2.5% 06/07/2024	2,736,015	0.17
GBP7,346,000	HSBC 2.175% 27/06/2023	7,479,829	0.46
GBP10,500,000	HSBC 6.5% 20/05/2024	12,673,605	0.78
GBP3,577,000	HSBC Bank 6.5% 07/07/2023	4,156,760	0.26
GBP9,500,000	Imperial Brands Finance 9% 17/02/2022	10,911,130	0.68
GBP9,000,000	Imperial Brands Finance 8.125% 15/03/2024	11,213,010	0.69
GBP5,000,000	InterContinental Hotels Group 3.875% 28/11/2022	5,347,670	0.33
GBP3,600,000	Investec 4.5% 05/05/2022	3,812,810	0.24
GBP3,331,000	Investec Bank 9.625% 17/02/2022	3,819,138	0.24
GBP5,478,000	Investec Bank 4.25% 24/07/2028	5,731,818	0.35
GBP1,632,000	Legal & General Group 10% 23/07/2041	1,829,660	0.11
GBP4,950,000	Lendlease Europe Finance 6.125% 12/10/2021	5,301,777	0.33
GBP4,000,000	Liberty Living Finance 2.625% 28/11/2024	4,175,680	0.26
GBP4,000,000	Liverpool Victoria Friendly Society 6.5% 22/05/2043	4,508,000	0.28
GBP4,000,000	Lloyds Bank 9.625% 06/04/2023	4,968,296	0.31
GBP6,021,000	Lloyds Bank 7.5% 15/04/2024	7,519,567	0.47
GBP2,500,000	Lloyds Bank 7.625% 22/04/2025	3,206,100	0.20
GBP3,320,000	Lloyds Bank 5.75% 09/07/2025	3,373,983	0.21
GBP6,571,000	Lloyds Bank Corporate Markets 1.75% 11/07/2024	6,652,178	0.41
GBP14,150,000	Lloyds Banking Group 2.25% 16/10/2024	14,578,321	0.90
GBP6,817,000	Lloyds Banking Group 1.875% 15/01/2026	6,862,292	0.42

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM — (cont.)</b>			
GBP3,400,000	London Power Networks 5.125% 31/03/2023	3,817,765	0.24
GBP4,000,000	M&G 3.875% 20/07/2049	4,146,828	0.26
GBP4,500,000	Manchester Airport Group Funding 4.125% 02/04/2024	5,035,855	0.31
GBP2,500,000	Marks & Spencer 6.125% 06/12/2021	2,704,290	0.17
GBP3,500,000	Marks & Spencer 3% 08/12/2023	3,650,003	0.23
GBP3,067,000	Motability Operations Group 5.375% 28/06/2022	3,390,814	0.21
GBP1,233,000	National Express Group 6.625% 17/06/2020	1,253,872	0.08
GBP5,000,000	National Express Group 2.5% 11/11/2023	5,182,930	0.32
GBP2,000,000	National Grid Electricity Transmission 5.875% 02/02/2024	2,356,500	0.15
GBP600,000	National Grid Gas 6.375% 03/03/2020	601,163	0.04
GBP2,440,000	National Westminster Bank 6.5% 07/09/2021	2,629,481	0.16
GBP5,652,000	Nationwide Building Society 2.25% 29/04/2022	5,816,168	0.36
GBP4,179,000	Nationwide Building Society 1% 24/01/2023	4,169,681	0.26
GBP3,769,243	Nats En Route 5.25% 31/03/2026	4,294,735	0.27
GBP2,400,000	Next Group 5.375% 26/10/2021	2,567,050	0.16
GBP3,000,000	Next Group 3% 26/08/2025	3,165,702	0.20
GBP511,000	Northern Electric Finance 8.875% 16/10/2020	536,767	0.03
GBP2,120,000	Northern Powergrid 7.25% 15/12/2022	2,479,259	0.15
GBP4,500,000	Northumbrian Water Finance 6.875% 06/02/2023	5,252,769	0.33
GBP3,500,000	Pension Insurance 6.5% 03/07/2024	4,096,918	0.25
GBP6,000,000	Phoenix Group 4.125% 20/07/2022	6,322,200	0.39
GBP4,300,000	Principality Building Society 2.375% 23/11/2023	4,395,211	0.27
GBP3,238,000	Provident Financial 7% 04/06/2023	3,451,799	0.21
GBP4,164,000	Prudential 6.875% 20/01/2023	4,845,905	0.30
GBP5,800,000	RL Finance Bonds 6.125% 30/11/2043	6,588,556	0.41
GBP5,167,000	Rothesay Life 5.5% 17/09/2029	5,674,637	0.35
GBP5,179,000	RSA Insurance Group 1.625% 28/08/2024	5,232,390	0.32
GBP4,520,000	Santander UK 1.625% 10/05/2021	4,548,169	0.28
GBP3,000,000	Scottish Power UK 6.75% 29/05/2023	3,518,934	0.22
GBP9,359,000	Scottish Widows 5.5% 16/06/2023	10,434,480	0.65
GBP914,000	SEGRO 6.75% 23/11/2021	997,046	0.06
GBP1,500,000	Severn Trent Utilities Finance 1.125% 07/09/2021	1,501,788	0.09
GBP2,524,000	Severn Trent Utilities Finance 1.625% 04/12/2022	2,564,051	0.16
GBP4,081,000	Severn Trent Utilities Finance 6.125% 26/02/2024	4,838,646	0.30

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM — (cont.)</b>			
GBP2,012,000	Skipton Building Society 1.75% 30/06/2022	2,030,587	0.13
GBP4,066,000	Sky 2.875% 24/11/2020	4,121,826	0.26
GBP6,754,000	Society of Lloyd's 4.75% 30/10/2024	7,562,049	0.47
GBP1,410,000	Southern Gas Networks 4.875% 21/12/2020	1,453,544	0.09
GBP2,400,000	Southern Gas Networks 4.875% 05/10/2023	2,718,922	0.17
GBP2,500,000	Southern Gas Networks 2.5% 03/02/2025	2,645,420	0.16
GBP1,981,000	SSE 4.25% 14/09/2021	2,078,469	0.13
GBP3,700,000	SSE 5.875% 22/09/2022	4,144,111	0.26
GBP3,200,000	SSE 3.625% 16/09/2077	3,323,360	0.21
GBP7,640,000	SSE 3.875% Open Maturity	7,720,633	0.48
GBP1,030,000	Standard Chartered Bank 5.375% Open Maturity	1,042,896	0.06
GBP950,000	Tesco 6.125% 24/02/2022	1,040,126	0.06
GBP2,000,000	Tesco Corporate Treasury Services 2.5% 02/05/2025	2,082,732	0.13
GBP4,273,000	Tesco Personal Finance Group 3.5% 25/07/2025	4,493,470	0.28
GBP2,300,000	Thames Water Utilities Cayman Finance 2.375% 03/05/2023	2,331,032	0.14
GBP5,400,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	5,501,293	0.34
GBP2,750,000	Thames Water Utilities Cayman Finance 5.75% 13/09/2030	2,992,402	0.19
GBP5,500,000	TP ICAP 5.25% 26/01/2024	6,132,500	0.38
GBP2,987,000	TSB Banking Group 5.75% 06/05/2026	3,081,234	0.19
GBP4,358,000	Unilever 1.125% 03/02/2022	4,387,355	0.27
GBP3,500,000	Unilever 1.375% 15/09/2024	3,560,298	0.22
GBP2,465,000	United Utilities Water 5.75% 25/03/2022	2,708,601	0.17
GBP5,835,000	United Utilities Water Finance 2% 14/02/2025	6,051,222	0.37
GBP2,336,000	Virgin Money 2.25% 21/04/2020	2,340,672	0.14
GBP4,000,000	Virgin Money 3.125% 22/06/2025	4,109,176	0.25
GBP7,000,000	Virgin Money 5% 09/02/2026	7,181,951	0.44
GBP1,412,000	Wales & West Utilities Finance 6.25% 30/11/2021	1,543,107	0.10
GBP2,689,000	Wales & West Utilities Finance 4.625% 13/12/2023	3,056,705	0.19
GBP3,173,000	Wellcome Trust Finance 4.75% 28/05/2021	3,325,126	0.21
GBP2,880,000	Wessex Water Services Finance 4% 24/09/2021	3,013,384	0.19
GBP5,700,000	Western Power Distribution 3.625% 06/11/2023	6,080,703	0.38
GBP6,500,000	Western Power Distribution East Midlands 5.25% 17/01/2023	7,257,107	0.45
GBP550,000	Western Power Distribution South Wales 9.25% 09/11/2020	581,393	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>UNITED KINGDOM — (cont.)</b>		
GBP6,200,000	Western Power Distribution West Midlands 3.875% 17/10/2024	6,885,230	0.43
GBP3,000,000	Wm Morrison Supermarkets 4.625% 08/12/2023	3,377,268	0.21
GBP5,176,000	Yorkshire Building Society 3% 18/04/2025	5,391,679	0.33
GBP2,000,000	Yorkshire Water Services Bradford Finance 6.588% 21/02/2023	2,323,980	0.14
GBP3,670,000	Zurich Finance UK 6.625% Open Maturity	4,158,110	0.26
		<b>625,653,764</b>	<b>38.76</b>
	<b>IRELAND — 0.90% (1.37%)</b>		
GBP4,226,000	GE Capital UK Funding Unlimited 5.875% 04/11/2020	4,362,990	0.27
GBP4,200,000	GE Capital UK Funding Unlimited 5.125% 24/05/2023	4,671,568	0.29
GBP5,000,000	GE Capital UK Funding Unlimited 4.125% 13/09/2023	5,470,950	0.34
		<b>14,505,508</b>	<b>0.90</b>
	<b>CHANNEL ISLANDS — 2.86% (3.49%)</b>		
GBP5,200,000	Credit Suisse Group Funding Guernsey 3% 27/05/2022	5,401,396	0.33
GBP4,000,000	Gatwick Funding 5.25% 23/01/2026	4,609,600	0.29
GBP4,500,000	Glencore Finance Europe 6% 03/04/2022	4,926,447	0.31
GBP2,450,000	Heathrow Funding 6% 20/03/2020	2,459,648	0.15
GBP9,550,000	Heathrow Funding 5.225% 15/02/2023	10,714,527	0.66
GBP2,450,000	Heathrow Funding 9.2% 29/03/2023	2,664,233	0.16
GBP7,288,000	Heathrow Funding 7.125% 14/02/2024	8,824,456	0.55
GBP1,954,000	HSBC Bank Capital Funding Sterling 2 5.862% Open Maturity	1,963,770	0.12
GBP4,500,000	Kennedy Wilson Europe Real Estate 3.95% 30/06/2022	4,662,513	0.29
		<b>46,226,590</b>	<b>2.86</b>
	<b>CONTINENTAL EUROPE — 33.74% (30.68%)</b>		
	<b>Belgium — 0.90% (0.12%)</b>		
GBP7,300,000	Anheuser-Busch InBev 9.75% 30/07/2024	9,984,882	0.62
GBP1,000,000	Anheuser-Busch InBev 1.75% 07/03/2025	1,024,420	0.06
GBP3,520,000	Euroclear Bank 1.25% 30/09/2024	3,537,670	0.22
		<b>14,546,972</b>	<b>0.90</b>
	<b>Finland — 0.75% (0.87%)</b>		
GBP6,410,000	Nordea Bank 2.375% 02/06/2022	6,593,929	0.41
GBP5,358,000	OP Corporate Bank 2.5% 20/05/2022	5,527,784	0.34
		<b>12,121,713</b>	<b>0.75</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>France — 6.71% (6.78%)</b>			
GBP2,700,000	AXA 7.125% 15/12/2020	2,829,244	0.17
GBP4,700,000	Banque Federative du Credit Mutuel 1.375% 20/12/2021	4,726,687	0.29
GBP2,800,000	Banque Federative du Credit Mutuel 1.875% 13/12/2022	2,857,982	0.18
GBP5,900,000	Banque Federative du Credit Mutuel 2.25% 18/12/2023	6,128,743	0.38
GBP7,500,000	Banque Federative du Credit Mutuel 1.75% 19/12/2024	7,657,650	0.47
GBP5,300,000	Banque Federative du Credit Mutuel 1.25% 05/12/2025	5,247,371	0.32
GBP3,700,000	BNP Paribas 5.75% 24/01/2022	4,008,203	0.25
GBP3,585,000	BNP Paribas 1.125% 16/08/2022	3,602,889	0.22
GBP3,000,000	BPCE 2.125% 16/12/2022	3,089,823	0.19
GBP2,000,000	CNP Assurances 7.375% 30/09/2041	2,195,000	0.14
GBP2,600,000	Compagnie de Saint-Gobain 5.625% 15/11/2024	3,126,370	0.19
GBP2,956,000	Credit Agricole 5.5% 17/12/2021	3,201,141	0.20
GBP4,600,000	Credit Agricole 7.375% 18/12/2023	5,594,998	0.35
GBP3,100,000	Credit Agricole 1.25% 02/10/2024	3,098,438	0.19
GBP4,150,000	Electricite de France 6.875% 12/12/2022	4,835,870	0.30
GBP2,400,000	Engie 6.125% 11/02/2021	2,520,989	0.16
GBP4,342,000	LVMH Moet Hennessy Louis Vuitton 1% 14/06/2022	4,352,725	0.27
GBP7,700,000	LVMH Moet Hennessy Louis Vuitton 1% 11/02/2023	7,695,395	0.48
GBP2,650,000	Orange 7.25% 10/11/2020	2,768,508	0.17
GBP6,777,000	Orange 5.75% Open Maturity	7,522,470	0.47
GBP5,333,000	Orange 5.875% Open Maturity	5,759,939	0.36
GBP3,916,000	RCI Banque 1.875% 08/11/2022	3,959,468	0.25
GBP3,200,000	Societe Generale 1.875% 03/10/2024	3,244,544	0.20
GBP1,939,000	Total Capital International 2.25% 17/12/2020	1,960,604	0.12
GBP5,105,000	Total Capital International 2.25% 09/06/2022	5,270,963	0.33
GBP1,000,000	Total Capital International 1.25% 16/12/2024	1,010,790	0.06
		<b>108,266,804</b>	<b>6.71</b>
<b>Germany — 3.46% (2.16%)</b>			
GBP3,250,000	BASF 1.375% 21/06/2022	3,289,227	0.20
GBP2,762,000	BASF 0.875% 06/10/2023	2,764,210	0.17
GBP1,565,000	BASF 1.75% 11/03/2025	1,617,349	0.10
GBP8,000,000	Commerzbank 1.75% 22/01/2025	7,960,048	0.49
GBP4,900,000	Deutsche Bank 1.875% 28/02/2020	4,900,480	0.30
GBP4,700,000	Deutsche Bank 1.75% 16/12/2021	4,706,312	0.29
GBP2,800,000	Deutsche Bank 3.875% 12/02/2024	3,005,033	0.19
GBP7,500,000	Deutsche Bank 2.625% 16/12/2024	7,680,675	0.48
GBP1,000,000	Deutsche Pfandbriefbank 1.75% 21/11/2022	1,008,346	0.06



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Germany — (cont.)</b>			
GBP3,900,000	Henkel AG & Company 0.875% 13/09/2022	3,903,081	0.24
GBP5,700,000	Henkel AG & Company 1% 30/09/2022	5,715,572	0.36
GBP4,500,000	Landesbank Baden-Wuerttemberg 1.5% 03/02/2025	4,496,067	0.28
GBP4,300,000	Muenchener Rueckversicherungs- Gesellschaft 6.625% 26/05/2042	4,806,454	0.30
		<b>55,852,854</b>	<b>3.46</b>
<b>Italy — 0.88% (2.06%)</b>			
GBP2,000,000	Assicurazioni Generali 6.416% Open Maturity	2,172,212	0.13
GBP2,500,000	Enel 7.75% 10/09/2075	2,585,660	0.16
GBP4,100,000	Enel 6.625% 15/09/2076	4,415,126	0.27
GBP3,207,000	FCA Bank 1.625% 29/09/2021	3,214,440	0.20
GBP1,750,000	Intesa Sanpaolo 5.25% 28/01/2022	1,878,193	0.12
		<b>14,265,631</b>	<b>0.88</b>
<b>Luxembourg — 1.23% (0.45%)</b>			
GBP5,500,000	Aroundtown 4.75% Open Maturity	5,860,607	0.36
GBP3,198,000	Gazprom 5.338% 25/09/2020	3,272,910	0.20
GBP8,000,000	Gazprom 4.25% 06/04/2024	8,690,832	0.54
GBP1,949,000	Nestle Finance International 2.25% 30/11/2023	2,055,961	0.13
		<b>19,880,310</b>	<b>1.23</b>
<b>Netherlands — 13.75% (12.18%)</b>			
GBP4,100,000	ABN AMRO Bank 2.375% 07/12/2021	4,204,632	0.26
GBP5,600,000	ABN AMRO Bank 1.375% 07/06/2022	5,648,205	0.35
GBP10,000,000	ABN AMRO Bank 1.375% 16/01/2025	10,036,820	0.62
GBP3,750,000	BMW Finance 2.375% 01/12/2021	3,842,362	0.24
GBP6,922,000	BMW Finance 0.875% 16/08/2022	6,896,486	0.43
GBP1,250,000	BMW International Investment 1% 17/11/2021	1,250,977	0.08
GBP2,250,000	BMW International Investment 1.75% 19/04/2022	2,282,418	0.14
GBP5,111,000	BMW International Investment 1.25% 11/07/2022	5,128,469	0.32
GBP4,772,000	BMW International Investment 1.875% 11/09/2023	4,893,810	0.30
GBP3,750,000	BMW International Investment 1.375% 01/10/2024	3,750,720	0.23
GBP2,640,000	Cooperatieve Rabobank 4.625% 13/01/2021	2,725,969	0.17
GBP9,057,000	Cooperatieve Rabobank 2.25% 23/03/2022	9,304,437	0.58
GBP8,789,000	Cooperatieve Rabobank 4% 19/09/2022	9,466,983	0.59
GBP1,568,000	Cooperatieve Rabobank 4.875% 10/01/2023	1,742,763	0.11
GBP4,700,000	Cooperatieve Rabobank 1.25% 14/01/2025	4,685,938	0.29

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Netherlands — (cont.)</b>			
GBP3,228,000	Daimler International Finance 2.75% 04/12/2020	3,266,252	0.20
GBP2,300,000	Daimler International Finance 1.5% 18/08/2021	2,308,436	0.14
GBP1,500,000	Daimler International Finance 2.375% 16/12/2021	1,532,568	0.09
GBP6,516,000	Daimler International Finance 1.5% 13/01/2022	6,552,516	0.41
GBP2,590,000	Daimler International Finance 2.125% 07/06/2022	2,645,442	0.16
GBP3,100,000	Daimler International Finance 1.25% 05/09/2022	3,092,870	0.19
GBP6,600,000	Daimler International Finance 2% 04/09/2023	6,734,587	0.42
GBP5,700,000	Daimler International Finance 1.625% 11/11/2024	5,704,742	0.35
GBP8,130,000	Deutsche Telekom International Finance 6.5% 08/04/2022	9,051,454	0.56
GBP2,900,000	Deutsche Telekom International Finance 1.25% 06/10/2023	2,916,356	0.18
GBP4,100,000	EDP Finance 8.625% 04/01/2024	5,185,057	0.32
GBP11,000,000	Enel Finance International 5.625% 14/08/2024	13,057,044	0.81
GBP3,406,000	ING Bank 5.375% 15/04/2021	3,577,591	0.22
GBP5,150,000	innogy Finance 6.5% 20/04/2021	5,463,079	0.34
GBP6,900,000	innogy Finance 5.5% 06/07/2022	7,619,077	0.47
GBP6,400,000	innogy Finance 5.625% 06/12/2023	7,460,186	0.46
GBP4,480,000	Linde Finance 5.875% 24/04/2023	5,186,693	0.32
GBP2,700,000	NIBC Bank 3.125% 15/11/2023	2,843,408	0.18
GBP10,100,000	Siemens Financiëringmaatschappij 1% 20/02/2025	10,063,458	0.62
GBP4,545,000	Toyota Motor Finance Netherlands 1.375% 23/05/2023	4,590,595	0.28
GBP2,325,000	Volkswagen Financial Services 1.75% 17/04/2020	2,327,288	0.14
GBP897,000	Volkswagen Financial Services 2.75% 02/10/2020	905,030	0.06
GBP4,217,000	Volkswagen Financial Services 1.5% 12/04/2021	4,225,367	0.26
GBP4,000,000	Volkswagen Financial Services 1.875% 07/09/2021	4,032,800	0.25
GBP4,100,000	Volkswagen Financial Services 1.625% 09/06/2022	4,120,877	0.26
GBP3,150,000	Volkswagen Financial Services 1.75% 12/09/2022	3,182,760	0.20
GBP2,200,000	Volkswagen Financial Services 1.625% 30/11/2022	2,205,698	0.14
GBP5,400,000	Volkswagen Financial Services 2.75% 10/07/2023	5,598,655	0.35
GBP1,700,000	Volkswagen Financial Services 1.625% 10/02/2024	1,698,130	0.11
GBP4,500,000	Volkswagen Financial Services 2.125% 27/06/2024	4,574,421	0.28

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Netherlands — (cont.)</b>			
GBP4,300,000	Volkswagen Financial Services 1.875% 03/12/2024	4,326,316	0.27
		<hr/>	<hr/>
		221,909,742	13.75
<b>Norway — 0.66% (0.22%)</b>			
GBP6,000,000	DNB Bank 1.375% 12/06/2023	6,052,116	0.38
GBP4,500,000	DNB Bank 1.625% 15/12/2023	4,591,953	0.28
		<hr/>	<hr/>
		10,644,069	0.66
<b>Spain — 2.29% (1.95%)</b>			
GBP5,300,000	Banco Santander 2.75% 12/09/2023	5,537,684	0.34
GBP10,900,000	Banco Santander 1.375% 31/07/2024	10,881,797	0.67
GBP6,500,000	Iberdrola Finanzas 7.375% 29/01/2024	8,030,555	0.50
GBP4,300,000	Telefonica Emisiones 5.597% 12/03/2020	4,311,980	0.27
GBP7,400,000	Telefonica Emisiones 5.289% 09/12/2022	8,235,001	0.51
		<hr/>	<hr/>
		36,997,017	2.29
<b>Sweden — 2.47% (3.10%)</b>			
GBP1,625,000	Scania 1.875% 28/06/2022	1,636,830	0.10
GBP2,223,000	Skandinaviska Enskilda Banken 3% 18/12/2020	2,259,911	0.14
GBP6,200,000	Skandinaviska Enskilda Banken 1.25% 05/08/2022	6,223,188	0.39
GBP2,355,000	Svenska Handelsbanken 3% 20/11/2020	2,390,885	0.15
GBP3,650,000	Svenska Handelsbanken 2.375% 18/01/2022	3,746,032	0.23
GBP6,436,000	Svenska Handelsbanken 1.625% 18/06/2022	6,524,559	0.40
GBP3,169,000	Svenska Handelsbanken 2.75% 05/12/2022	3,319,724	0.21
GBP4,500,000	Svenska Handelsbanken 1.625% 15/12/2023	4,588,470	0.28
GBP3,620,000	Swedbank 1.25% 29/12/2021	3,630,212	0.23
GBP5,419,000	Swedbank 1.625% 28/12/2022	5,479,834	0.34
		<hr/>	<hr/>
		39,799,645	2.47
<b>Switzerland — 0.64% (0.79%)</b>			
GBP9,250,000	Credit Suisse Group 2.125% 12/09/2025	9,445,397	0.59
GBP869,000	UBS 1.25% 10/12/2020	870,867	0.05
		<hr/>	<hr/>
		10,316,264	0.64
<b>NORTH AMERICA — 15.84% (16.03%)</b>			
<b>Bermuda — 0.34% (0.37%)</b>			
GBP2,296,000	Fidelity International 6.75% 19/10/2020	2,376,760	0.15
GBP1,100,000	Fidelity International 7.125% 13/02/2024	1,333,508	0.08

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Bermuda — (cont.)</b>			
GBP1,760,000	Hiscox 2% 14/12/2022	1,789,029	0.11
		5,499,297	0.34
<b>British Virgin Islands — 0.20% (0.28%)</b>			
GBP3,000,000	Global Switch 4.375% 13/12/2022	3,245,688	0.20
<b>Canada — 2.24% (1.21%)</b>			
GBP2,160,000	Bank of Montreal 1.375% 29/12/2021	2,178,239	0.13
GBP3,633,000	Bank of Montreal 1.625% 21/06/2022	3,693,119	0.23
GBP7,850,000	Bank of Montreal 1.5% 18/12/2024	7,951,116	0.49
GBP5,250,000	Bank of Nova Scotia 1.25% 08/06/2022	5,279,106	0.33
GBP3,000,000	Bank of Nova Scotia 1.75% 23/12/2022	3,067,002	0.19
GBP3,529,000	Bank of Nova Scotia 1.375% 05/12/2023	3,549,461	0.22
GBP5,322,000	Royal Bank of Canada 1.375% 09/12/2024	5,365,449	0.33
GBP5,153,000	Royal Bank of Canada 1.125% 15/12/2025	5,104,500	0.32
		36,187,992	2.24
<b>Cayman Islands — 0.35% (1.03%)</b>			
GBP707,000	ASIF II 6.375% 05/10/2020	730,584	0.04
GBP4,750,000	Southern Water Services Finance 5% 31/03/2021	4,945,083	0.31
		5,675,667	0.35
<b>Mexico — 0.00% (0.40%)</b>			
<b>United States — 12.71% (12.74%)</b>			
GBP5,333,000	American Honda Finance 1.3% 21/03/2022	5,362,033	0.33
GBP2,254,000	American Honda Finance 2.625% 14/10/2022	2,347,442	0.15
GBP7,000,000	American International 5% 26/04/2023	7,808,738	0.48
GBP6,100,000	Bank of America 6.125% 15/09/2021	6,577,081	0.41
GBP2,250,000	Bank of America 5.5% 22/11/2021	2,416,842	0.15
GBP10,164,000	Citigroup 2.75% 24/01/2024	10,693,341	0.66
GBP3,300,000	Citigroup 5.875% 01/07/2024	3,882,612	0.24
GBP3,400,000	Digital Stout 4.75% 13/10/2023	3,787,675	0.24
GBP4,500,000	Digital Stout 2.75% 19/07/2024	4,734,441	0.29
GBP5,000,000	Digital Stout 4.25% 17/01/2025	5,630,510	0.35
GBP5,200,000	Discovery Communications 2.5% 20/09/2024	5,369,094	0.33
GBP1,000,000	DXC Technology 2.75% 15/01/2025	1,009,700	0.06
GBP2,457,000	Fidelity National Information Services 1.7% 30/06/2022	2,490,287	0.15
GBP2,000,000	Fidelity National Information Services 2.602% 21/05/2025	2,114,204	0.13
GBP1,000,000	Ford Motor Credit Company 4.535% 06/03/2025	1,060,080	0.07
GBP1,813,000	General Electric 6.25% 29/09/2020	1,865,707	0.12

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>United States — (cont.)</b>		
GBP1,914,000	General Electric 5.5% 07/06/2021	2,014,684	0.13
GBP4,600,000	General Motors Financial 2.25% 06/09/2024	4,650,701	0.29
GBP5,523,000	Goldman Sachs 5.5% 12/10/2021	5,912,592	0.37
GBP5,590,000	International Business Machines 2.75% 21/12/2020	5,672,474	0.35
GBP3,150,000	International Business Machines 2.625% 05/08/2022	3,277,606	0.20
GBP6,300,000	Johnson & Johnson 5.5% 06/11/2024	7,592,369	0.47
GBP4,800,000	MetLife 5.375% 09/12/2024	5,736,154	0.36
GBP6,373,000	Metropolitan Life Global Funding I 1.125% 15/12/2021	6,388,423	0.40
GBP2,500,000	Metropolitan Life Global Funding I 1.625% 09/06/2022	2,529,637	0.16
GBP3,954,000	Metropolitan Life Global Funding I 2.625% 05/12/2022	4,117,332	0.26
GBP6,000,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	6,301,590	0.39
GBP2,951,000	Nestle 1.75% 09/12/2020	2,970,217	0.18
GBP7,062,000	Nestle 1% 11/06/2021	7,070,686	0.44
GBP4,267,000	New York Life Global Funding 1% 15/12/2021	4,268,242	0.26
GBP4,385,000	New York Life Global Funding 1.75% 15/12/2022	4,474,160	0.28
GBP9,334,000	New York Life Global Funding 1.625% 15/12/2023	9,531,265	0.59
GBP5,143,000	PepsiCo 2.5% 01/11/2022	5,376,868	0.33
GBP361,000	Textron 6.625% 07/04/2020	363,408	0.02
GBP2,690,000	Toyota Motor Credit 1.125% 07/09/2021	2,699,141	0.17
GBP5,600,000	Toyota Motor Credit 1% 27/09/2022	5,605,040	0.35
GBP4,925,000	Verizon Communications 4.073% 18/06/2024	5,548,919	0.34
GBP2,300,000	Walgreens Boots Alliance 2.875% 20/11/2020	2,322,636	0.14
GBP9,061,000	Wells Fargo 2.125% 22/04/2022	9,250,284	0.57
GBP6,284,000	Wells Fargo 1.375% 30/06/2022	6,312,919	0.39
GBP10,050,000	Wells Fargo 2.125% 20/12/2023	10,354,917	0.64
GBP6,750,000	Wells Fargo Bank 5.25% 01/08/2023	7,617,584	0.47
		205,109,635	12.71
	<b>ASIA — 0.50% (0.00%)</b>		
	<b>China — 0.50% (0.00%)</b>		
GBP8,095,000	Industrial & Commercial Bank of China 1.5% 31/07/2022	8,126,878	0.50
	<b>PACIFIC BASIN — 4.04% (4.36%)</b>		
	<b>Australia — 3.69% (3.71%)</b>		
GBP2,949,000	APT Pipelines 4.25% 26/11/2024	3,331,881	0.21
GBP6,250,000	BHP Billiton Finance 3.25% 25/09/2024	6,859,088	0.43
GBP8,400,000	BHP Billiton Finance 6.5% 22/10/2077	9,446,791	0.59
GBP1,550,000	Macquarie Bank 3.5% 18/12/2020	1,580,792	0.10

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Australia — (cont.)</b>			
GBP3,715,000	National Australia Bank 1.875% 20/02/2020	3,715,186	0.23
GBP2,510,000	National Australia Bank 0.875% 26/06/2020	2,509,714	0.16
GBP6,067,000	National Australia Bank 5.125% 09/12/2021	6,510,012	0.40
GBP1,650,000	National Australia Bank 1.375% 27/06/2022	1,661,385	0.10
GBP3,640,000	Pacific National Finance 5% 19/09/2023	4,056,511	0.25
GBP3,000,000	QBE Insurance Group 6.115% 24/05/2042	3,279,330	0.20
GBP4,946,000	Scentre Group Trust 2.375% 08/04/2022	5,062,696	0.31
GBP1,100,000	SGSP Australia Assets 5.125% 11/02/2021	1,140,077	0.07
GBP3,350,000	Toyota Finance Australia 1.625% 11/07/2022	3,398,910	0.21
GBP2,500,000	Westfield America Management 2.125% 30/03/2025	2,581,065	0.16
GBP4,160,000	Westpac Banking 2.625% 14/12/2022	4,339,995	0.27
		<b>59,473,433</b>	<b>3.69</b>
<b>New Zealand — 0.35% (0.65%)</b>			
GBP1,800,000	Chorus 6.75% 06/04/2020	1,812,434	0.11
GBP2,107,000	Fonterra Co-operative Group 9.375% 04/12/2023	2,734,005	0.17
GBP1,125,000	Westpac Securities 2.5% 13/01/2021	1,139,972	0.07
		<b>5,686,411</b>	<b>0.35</b>
<b>GOVERNMENT BONDS</b>			
<b>— 0.25% (0.94%)</b>			
<b>UNITED KINGDOM — 0.25% (0.94%)</b>			
GBP3,700,000	United Kingdom Gilt 2.75% 07/09/2024	4,076,882	0.25
<b>Portfolio of investments</b>		<b>1,564,068,766</b>	<b>96.89</b>
<b>Net other assets</b>		<b>50,172,945</b>	<b>3.11</b>
<b>Total net assets</b>		<b>£1,614,241,711</b>	<b>100.00%</b>

Total purchases for the year: £739,655,666.

Total sales for the year: £288,943,289.

The maturity dates for all holdings in the Portfolio Statement are final contractual maturity dates. Where this maturity date is greater than 5 years from the balance sheet date, or there is an open maturity date, the bond is 'callable' by the issuer within the next 5 years and is therefore likely to mature before the final contractual maturity date shown.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Short Dated Sterling Corporate Bond Index Fund ('the Fund')

### **Opinion**

We have audited the financial statements of the Fund for the year ended 15 February 2020 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 26 to 27.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 15 February 2020 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

## Independent Auditor's Report continued

### **Other information**

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

### **Manager's responsibilities**

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; 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; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



## Independent Auditor's Report continued

### ***The purpose of our audit work and to whom we owe our responsibilities***

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
30 April 2020

## Financial Statements

### Statement of Total Return for the year ended 15 February 2020

Notes	15/02/20		15/02/19	
	£	£	£	£
<b>Income</b>				
Net capital gains/ (losses)	3	31,235,561	(4,822,232)	
Revenue	4	30,025,371	19,391,525	
Expenses	5	(1,632,253)	(1,030,555)	
Interest payable and similar charges	7	—	—	
<b>Net revenue before taxation</b>		<u>28,393,118</u>	<u>18,360,970</u>	
Taxation	6	—	—	
<b>Net revenue after taxation for the year</b>		<u>28,393,118</u>	<u>18,360,970</u>	
<b>Total return before distributions</b>		59,628,679	13,538,738	
Distributions	7	<u>(30,025,370)</u>	<u>(19,391,525)</u>	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£29,603,309</b></u>	<u><b>£(5,852,787)</b></u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 15 February 2020

	15/02/20		15/02/19	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		1,144,805,879		702,602,324
<b>Amounts received on issue of units</b>		553,534,388		494,002,330
<b>Amounts paid on cancellation of units</b>		<u>(136,373,226)</u>		<u>(61,795,213)</u>
		417,161,162		432,207,117
<b>Change in net assets attributable to Unitholders from investment activities</b>		29,603,309		(5,852,787)
<b>Retained distributions on accumulation units</b>		<u>22,671,361</u>		<u>15,849,225</u>
<b>Closing net assets attributable to Unitholders</b>		<u><b>£1,614,241,711</b></u>		<u><b>£1,144,805,879</b></u>

## Financial Statements continued

### Balance Sheet as at 15 February 2020

	Notes	15/02/20 £	15/02/19 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		1,564,068,766	1,104,476,180
<b>Current assets:</b>			
Debtors	8	37,126,437	31,940,751
Cash and bank balances	9	<u>29,835,463</u>	<u>22,158,212</u>
<b>Total assets</b>		<b><u>1,631,030,666</u></b>	<b><u>1,158,575,143</u></b>
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Distributions payable		(4,963,107)	(3,342,524)
Other creditors	10	<u>(11,825,848)</u>	<u>(10,426,740)</u>
<b>Total liabilities</b>		<b><u>(16,788,955)</u></b>	<b><u>(13,769,264)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£1,614,241,711</u></b>	<b><u>£1,144,805,879</u></b>

# 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 Management 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. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity.

The principal accounting policies which have been applied consistently are set out below.

### (b) Functional and Presentation Currency

The functional and presentation currency of the Fund 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.

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.

Fund Management Fees are deducted from capital for the purpose of calculating the distribution. This increases the amount of the distribution paid, but reduces the capital growth potential of the Fund. Marginal tax relief is not accounted for in determining the distribution.

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

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 14 February 2020, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest.

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.

### 3. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

Non-derivative securities

Net capital gains/(losses)

15/02/20	15/02/19
£	£
31,235,561	(4,822,232)
<u>31,235,561</u>	<u>(4,822,232)</u>

### 4. Revenue

Bond interest

Bank interest

15/02/20	15/02/19
£	£
29,971,843	19,365,320
<u>53,528</u>	<u>26,205</u>
<u>30,025,371</u>	<u>19,391,525</u>

### 5. Expenses

Payable to the Manager, associates of the Manager and agents of either of them:

Fund management fees

Total expenses

15/02/20	15/02/19
£	£
1,632,253	1,030,555
<u>1,632,253</u>	<u>1,030,555</u>

Audit fees of £11,330 plus VAT of £2,266 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £11,000 plus VAT of £2,200.

## Notes to the Financial Statements continued

### 6. Taxation

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

	15/02/20	15/02/19
	£	£
Corporation tax	—	—
Current tax [note 6(b)]	—	—
Deferred tax [note 6(c)]	—	—
Total taxation	—	—

#### (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>28,393,118</u>	<u>18,360,970</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	5,678,624	3,672,194
<b>Effects of:</b>		
Interest distributions deductible for tax purposes	<u>(5,678,624)</u>	<u>(3,672,194)</u>
Current tax	—	—

#### (c) Provision for deferred tax

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

## Notes to the Financial Statements continued

### 7. Distributions

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

	15/02/20	15/02/19
	£	£
Interim distribution	15,096,903	9,844,629
Final distribution	<u>16,959,507</u>	<u>11,973,043</u>
	32,056,410	21,817,672
Add: Revenue deducted on cancellation of units	872,331	292,241
Less: Revenue received on creation of units	<u>(2,903,371)</u>	<u>(2,718,388)</u>
<b>Distributions for the year</b>	<b>30,025,370</b>	<b>19,391,525</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	—	—
	<u>30,025,370</u>	<u>19,391,525</u>

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

	15/02/20	15/02/19
	£	£
Net revenue after taxation for the year	28,393,118	18,360,970
Add: Expenses charged to capital	1,632,253	1,030,555
Equalisation effect of conversions	(1)	—
<b>Distributions for the year</b>	<b>30,025,370</b>	<b>19,391,525</b>

### 8. Debtors

	15/02/20	15/02/19
	£	£
Accrued revenue	25,156,880	20,509,907
Amounts receivable for creation of units	9,738,920	11,430,844
Sales awaiting settlement	<u>2,230,637</u>	<u>—</u>
	<u>37,126,437</u>	<u>31,940,751</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	15/02/20	15/02/19
	£	£
Cash and bank balances	<u>29,835,463</u>	<u>22,158,212</u>
Net uninvested cash	<u>29,835,463</u>	<u>22,158,212</u>

### 10. Other creditors

	15/02/20	15/02/19
	£	£
Accrued expenses	80,543	53,136
Amounts payable for cancellation of units	1,663,283	35,000
Purchases awaiting settlement	<u>10,082,022</u>	<u>10,338,604</u>
	<u>11,825,848</u>	<u>10,426,740</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 February 2019: same).



## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

The investments of a 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 Unit Trust.

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 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 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 Fund is detailed on page 2.

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

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

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 Fund can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 15 February 2020, if the price of the investments held by the 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 £78,203,438 (15 February 2019: £55,223,809).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (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 Fund is exposed to interest rate risk through its holdings in debt securities. 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 by the Fund, in line with the stated investment objective and policy of the Fund.

At 15 February 2020, if interest rates on the Fund increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £448,759 (15 February 2019: £320,546). This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

The interest rate profile of the Fund's net assets and liabilities at the balance sheet date was:

	Total	Floating	Fixed	No
15/02/20	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	1,564,069	134,654*	1,429,415	—
Other assets	66,962	29,836†	—	37,126
Other liabilities	(16,789)	—†	—	(16,789)
<b>Total</b>	<b>1,614,242</b>	<b>164,490</b>	<b>1,429,415</b>	<b>20,337</b>

	Total	Floating	Fixed	No
15/02/19	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	1,104,476	99,995*	1,004,481	—
Other assets	54,099	22,158†	—	31,941
Other liabilities	(13,769)	—†	—	(13,769)
<b>Total</b>	<b>1,144,806</b>	<b>122,153</b>	<b>1,004,481</b>	<b>18,172</b>

\* The Fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

† The Fund's floating rate other assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

Currency	Fixed Rate Financial Assets			
	Weighted average		Weighted average	
	Interest rate		Period for which	
	%		Rate is fixed	
	15/02/20	15/02/19	15/02/20	15/02/19
	Years			
Sterling	1.48	2.22	4.05	4.63

The bonds shown in the Portfolio Statement with open maturity dates are assumed to mature on 31 December 2049 for the purpose of calculating the weighted average period for which the rate is fixed.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of 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.

At the year end the Fund had no significant exposures to currencies other than Sterling (15 February 2019: same).

Forward currency contracts were not utilised during the current or the preceding year.

#### (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 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 none of the bonds held by the Fund's had low credit ratings (sub-investment grade).

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

#### (e) Liquidity Risk

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

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

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (f) 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 requires the classification of the 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 Fund's financial instruments as at the balance sheet date were:

<b>15/02/20</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	4,076,882	—
Level 2 - Observable Market Data	1,559,991,884	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,564,068,766</b>	<b>—</b>

<b>15/02/19</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	10,779,521	—
Level 2 - Observable Market Data	1,093,696,659	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,104,476,180</b>	<b>—</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.

### 13. Portfolio transaction costs

As the Fund mainly invests in assets that are not subject to commissions or taxes, there are no transaction costs (15 February 2019: same).

Total purchases for the year: £739,655,666  
(15 February 2019: £588,121,972)

Total sales for the year: £288,943,289  
(15 February 2019: £142,451,296)

The average portfolio dealing spread, as at the balance sheet date was 0.25%  
(15 February 2019: 0.32%).

## Notes to the Financial Statements continued

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 46. 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 40 to 44. The distributions per unit class are given in the distribution tables on pages 37 and 38. All classes have the same rights on winding up.

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	369,055,185	854,969,631
Units issued	159,132,653	400,020,486
Units cancelled	(33,469,416)	(136,383,446)
Units converted	(29,006,281)	(121,081)
Closing Units	465,712,141	1,118,485,590

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	55,828,279	629,495,717
Units issued	78,657,368	272,261,678
Units cancelled	(18,598,527)	(56,406,051)
Units converted	28,724,623	300,265
Closing Units	144,611,743	845,651,609

<b>L-Class</b>	<b>Distribution</b>
Opening Units	205,974,509
Units issued	94,106,116
Units cancelled	(66,693)
Units converted	—
Closing Units	300,013,932

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

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the 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 Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the 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 Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 4.72% (4.23% as at 15 February 2019) of the Fund's units in issue.

## Notes to the Financial Statements continued

### 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 58.24p. The Net Asset Value per I-Class accumulation unit for the Fund as at 12 noon on 29 April 2020 was 57.03p. This represents a decrease of 2.08% from the year end value.

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of coronavirus, officially known as Covid-19. This Fund invests in Company or Government bonds, whose values have fallen in recent weeks, primarily on concerns about how Covid-19 will affect the economy and economic growth around the world. Global growth is likely to be slower as efforts to contain the virus are implemented.

## Distribution Tables

### Distribution Tables for the year ended 15 February 2020

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.

Interim Interest distribution in pence per unit			Period	
			16/02/19	to 15/08/19
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>15/10/19</b>	<b>15/10/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5438	—	0.5438	0.5512
Group 2	0.3485	0.1953	0.5438	0.5512
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>15/10/19</b>	<b>15/10/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.6035	—	0.6035	0.5988
Group 2	0.2984	0.3051	0.6035	0.5988
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>15/10/19</b>	<b>15/10/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5452	—	0.5452	0.5523
Group 2	0.2968	0.2484	0.5452	0.5523
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>15/10/19</b>	<b>15/10/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.6049	—	0.6049	0.5999
Group 2	0.3077	0.2972	0.6049	0.5999
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>15/10/19</b>	<b>15/10/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5465	—	0.5465	0.5534
Group 2	0.1602	0.3863	0.5465	0.5534

## Distribution Tables continued

Final Interest distribution in pence per unit			Period	
			16/08/19	to 15/02/20
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>15/04/20</b>	<b>15/04/19</b>
Group 1	0.5439	—	0.5439	0.5289
Group 2	0.2784	0.2655	0.5439	0.5289
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>15/04/20</b>	<b>15/04/19</b>
Group 1	0.6100	—	0.6100	0.5808
Group 2	0.3025	0.3075	0.6100	0.5808
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>15/04/20</b>	<b>15/04/19</b>
Group 1	0.5455	—	0.5455	0.5301
Group 2	0.3819	0.1636	0.5455	0.5301
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>15/04/20</b>	<b>15/04/19</b>
Group 1	0.6116	—	0.6116	0.5820
Group 2	0.2058	0.4058	0.6116	0.5820
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>15/04/20</b>	<b>15/04/19</b>
Group 1	0.5469	—	0.5469	0.5313
Group 2	0.3055	0.2414	0.5469	0.5313



## Fund Information

The Comparative Tables on pages 40 to 44 give the performance of each active unit class in the 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 Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

## Fund Information continued

### Comparative Tables

#### I-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	15/02/20 (pence per unit)	15/02/19 (pence per unit)	15/02/18 (pence per unit)
Opening net asset value per unit	50.19	50.45	50.95
Return before operating charges*	2.36	0.89	0.62
Operating charges (calculated on average price)	(0.07)	(0.07)	(0.07)
Return after operating charges*	2.29	0.82	0.55
Distributions on income units <sup>^</sup>	(1.09)	(1.08)	(1.05)
Closing net asset value per unit	51.39	50.19	50.45
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	4.56%	1.63%	1.08%
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#### Other Information

Closing net asset value (£)	239,326,616	185,232,972	102,255,479
Closing number of units	465,712,141	369,055,185	202,670,660
Operating charges <sup>†</sup>	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	52.06p	51.18p	52.03p
Lowest unit price	50.21p	50.10p	50.97p

<sup>^</sup> Distributions on income units are shown gross of taxation.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	15/02/20 (pence per unit)	15/02/19 (pence per unit)	15/02/18 (pence per unit)
Opening net asset value per unit	55.70	54.81	54.23
Return before operating charges*	2.62	0.97	0.66
Operating charges (calculated on average price)	(0.08)	(0.08)	(0.08)
Return after operating charges*	2.54	0.89	0.58
Distributions <sup>^</sup>	(1.21)	(1.18)	(1.12)
Retained distributions on accumulation units <sup>^</sup>	1.21	1.18	1.12
Closing net asset value per unit	58.24	55.70	54.81
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	4.56%	1.62%	1.07%
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#### Other Information

Closing net asset value (£)	651,457,139	476,217,757	253,475,294
Closing number of units	1,118,485,590	854,969,631	462,478,733
Operating charges <sup>†</sup>	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	58.38p	55.91p	55.52p
Lowest unit price	55.70p	54.80p	54.25p

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

<sup>†</sup> 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.

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

## Fund Information continued

### Comparative Tables continued

#### C-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	15/02/20 (pence per unit)	15/02/19 (pence per unit)	15/02/18 (pence per unit)
Opening net asset value per unit	50.31	50.55	51.02
Return before operating charges*	2.37	0.89	0.63
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.05)
Return after operating charges*	2.32	0.84	0.58
Distributions on income units <sup>^</sup>	(1.09)	(1.08)	(1.05)
Closing net asset value per unit	51.54	50.31	50.55
* after direct transaction costs of:	—	—	—

##### Performance

Return after charges	4.61%	1.66%	1.14%
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##### Other Information

Closing net asset value (£)	74,533,703	28,088,863	43,588,751
Closing number of units	144,611,743	55,828,279	86,228,081
Operating charges <sup>†</sup>	0.09%	0.09%	0.09%
Direct transaction costs	0.00%	0.00%	0.00%

##### Prices

Highest unit price	52.21p	51.29p	52.11p
Lowest unit price	50.33p	50.22p	51.05p

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> 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.

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

## Fund Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	15/02/20 (pence per unit)	15/02/19 (pence per unit)	15/02/18 (pence per unit)
Opening net asset value per unit	55.82	54.90	54.29
Return before operating charges*	2.63	0.97	0.66
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.05)
Return after operating charges*	2.58	0.92	0.61
Distributions <sup>^</sup>	(1.22)	(1.18)	(1.12)
Retained distributions on accumulation units <sup>^</sup>	1.22	1.18	1.12
Closing net asset value per unit	58.40	55.82	54.90
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	4.62%	1.68%	1.12%
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#### Other Information

Closing net asset value (£)	493,883,609	351,399,968	214,244,212
Closing number of units	845,651,609	629,495,717	390,229,876
Operating charges <sup>†</sup>	0.09%	0.09%	0.09%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	58.54p	56.04p	55.61p
Lowest unit price	55.83p	54.89p	54.31p

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

<sup>†</sup> 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.

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

## Fund Information continued

### Comparative Tables continued

#### L-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	15/02/20 (pence per unit)	15/02/19 (pence per unit)	15/02/18 (pence per unit)
Opening net asset value per unit	50.43	50.64	51.10
Return before operating charges*	2.37	0.90	0.62
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.34	0.87	0.59
Distributions on income units <sup>^</sup>	(1.09)	(1.08)	(1.05)
Closing net asset value per unit	51.68	50.43	50.64
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	4.64%	1.72%	1.15%
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#### Other Information

Closing net asset value (£)	155,040,644	103,866,319	89,038,588
Closing number of units	300,013,932	205,974,509	175,809,821
Operating charges <sup>†</sup>	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	52.35p	51.39p	52.20p
Lowest unit price	50.44p	50.33p	51.12p

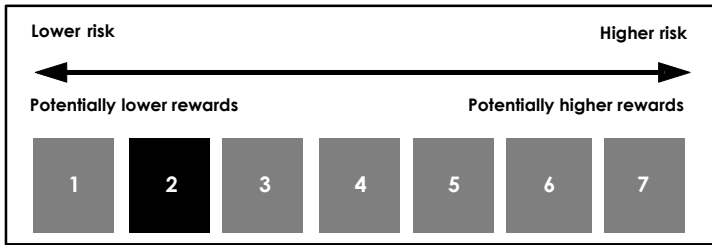
<sup>^</sup> Distributions on income units are shown gross of taxation.

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

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

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

## Risk and Reward Profile (unaudited)



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

## General Information (unaudited)

### Constitution

Launch date:	14 May 2014
Period end dates for distributions:	15 February, 15 August
Distribution dates:	15 April, 15 October
Minimum initial lump sum investment:	I-Class £1,000,000 C-Class* £100,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	I-Class Annual 0.14% C-Class* Annual 0.09% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

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

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

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices](http://www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices) immediately after they become available.

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

### Buying and Selling Units

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

### ISA Status

This 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

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.

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



## General Information (unaudited) continued

### Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.09%, whilst over the last three years to the end of February 2020, the annualised Tracking Error of the Fund is 0.07%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

### EU Savings Directive

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

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

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

### Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

## General Information (unaudited) continued

### Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General Short Dated Sterling Corporate Bond Index Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. 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 management company and the funds managed by it as at 31 December 2019:

### Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
63	12,234	16,246	729

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
25	3,115	3,987	26

### Controlled Functions

As at 31 December 2019, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. In addition, there were a further two Directors during the year that were LGIMH employees that have resigned. In addition there were 3 non-executive Directors. UTM also engaged the services of a further 46 LGIMH employees and a further eight 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, Significant Management Functions and Customer 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.

## General Information (unaudited) continued

### Material Risk Takers

As at 31 December 2019, UTM engaged the services of Legal & General Investment Management's Index 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 the Legal & General Investment Management's Index Fund Management team.

### Assessment of Value

We will be publishing Assessment of Value reports for our funds on [legalandgeneral.com](http://legalandgeneral.com) and [lgim.com](http://lgim.com) on 30 April 2020. Please look out for further information nearer the time.

### Significant Changes

#### Change in Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out on page 2.

#### Publication of Short Report Discontinued

With effect from 20 September 2019, the Short Report for this Fund will no longer be issued.

## General Information (unaudited) continued

### Authorised Fund Manager

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

### Directors of the Manager

A. Clare\* (appointed 10 September 2019)  
E. Cowhey\* (appointed 9 October 2019)  
A. J. C. Craven  
S. Hynes  
H. Morrissey (resigned 18 October 2019)  
H. Solomon  
L. W. Toms  
A. R. Toutouchi\*  
M. J. Zinkula (resigned 15 July 2019)

\*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 SE UK Branch  
Trustee and Depository Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent Auditors

KPMG LLP  
15 Canada Square,  
London E14 5GL

### Investment Adviser

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







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

Legal & General  
(Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
One Coleman Street,  
London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

