

Legal & General  
All Stocks Index Linked Gilt Index Trust  
**Interim Manager's Report**  
**for the period ended**  
**26 May 2020**  
**(Unaudited)**





# Contents

	<b>Page Number</b>
Manager's Investment Report	2
Authorised Status	4
Directors' Statement	4
Portfolio Statement	5
Statement of Total Return	7
Statement of Change in Net Assets attributable to Unitholders	7
Balance Sheet	8
Notes to the Financial Statements	9
Trust Information	10
Risk and Reward Profile	11
General Information	12

# Manager's Investment Report

## Investment Objective and Policy

The objective of the Trust is to provide a combination of income and growth by tracking the performance of the FTSE Actuaries UK Index Linked Gilt All Stock Index, the "Benchmark Index". This objective is after the deduction of charges and taxation.

The Benchmark Index is comprised of government or other public index linked bonds issued by the government of the United Kingdom.

The Trust 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 Trust will have at least 90% exposure to assets that are included in the Benchmark Index.

The Trust may also invest in government or public bonds issued by other public bodies (including those outside the United Kingdom) 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 Trust will not invest in money market instrument or deposits apart from the use of cash and near cash.

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

## Manager's Investment Report

During the period under review, the bid price of the Trust's I-Class accumulation units rose by 8.96%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Trust has been revalued using closing prices. On this basis, over the review period, the Trust performance was 8.24%, compared with the Index performance of 8.27% (Source: Bloomberg), 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.**

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

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## Market/Economic Review

Over 2019, UK real yields diverged markedly across maturities, with short-dated yields falling sharply as a result of lower nominal yields and higher inflation expectations. Real yields across all maturities experienced significant volatility towards the end of March 2020 on account of the impact of the unprecedented spread of COVID-19 and the drastic measures enforced in an attempt to limit the spread of the virus. As lockdown measures were announced in the UK, both nominal and index-linked gilt

## Manager's Investment Report continued

yields spiked rapidly, causing a sharp liquidity squeeze. This prompted the Bank of England to act swiftly, implementing monetary policy support with the announcement of £200 billion of bond purchases, followed by a rate cut to 0.1%. This loosened the liquidity bottleneck and helped yields to stabilise somewhat; they largely remained range-bound, declining slightly in April and May 2020.

### Trust Review

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

There were seven auctions and a mini tender of index-linked securities during the period, which raised a total of £11.3 billion for government funding. The most frequently issued bond was the 2028 bond with four auctions, as the DMO sought to build this bond up to a benchmark size. One auction was held on 2036 bond, and all remaining auctions and mini tender were held on 2048 maturity. Each issuance resulted in a change to the constituent weightings of the benchmark Index and required the Trust to be rebalanced in line with the revised Index distribution.

The Trust experienced net negative cash flows during the period. The outflows were covered by adjusting the Trust's holdings in such a way so as to ensure the Trust maintained an Index distribution at all times.

### Outlook

Central bank programmes have removed stress in money markets and monetary policy is very loose, keeping government bond yields low despite equity and credit markets rallying. Looking ahead, we expect the economic rebound to continue as lockdowns ease and pent-up demand is reflected in economic data. However, even under our most optimistic scenario, economic activity would take until the end of 2021 to fully recover, while some permanent economic scarring remains likely. Depending on valuations in the meantime, this is something that may be more of a concern later in the summer.

### Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The impact on the Company 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)  
3 July 2020

## Authorised Status

### Authorised Status

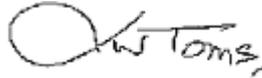
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
16 July 2020

# Portfolio Statement

## Portfolio Statement as at 26 May 2020

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 26 November 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>GOVERNMENT BONDS</b>			
<b>— 99.77% (99.53%)</b>			
<b>Short Dated — 8.90% (12.67%)</b>			
GBP28,210,910	United Kingdom Gilt Inflation Linked 1.875% 22/11/2022	44,762,928	3.11
GBP28,445,847	United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	38,107,873	2.65
GBP12,459,667	United Kingdom Gilt Inflation Linked 2.5% 17/07/2024	45,113,286	3.14
		<hr/>	<hr/>
		127,984,087	8.90
<b>Medium Dated — 11.14% (10.86%)</b>			
GBP23,748,751	United Kingdom Gilt Inflation Linked 0.125% 22/03/2026	31,765,294	2.21
GBP26,234,198	United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	53,091,724	3.69
GBP24,630,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2028	32,856,754	2.28
GBP26,701,993	United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	42,609,340	2.96
		<hr/>	<hr/>
		160,323,112	11.14
<b>Long Dated — 79.73% (76.00%)</b>			
GBP8,464,424	United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	32,766,210	2.28
GBP24,663,315	United Kingdom Gilt Inflation Linked 1.25% 22/11/2032	53,308,622	3.71
GBP27,030,672	United Kingdom Gilt Inflation Linked 0.75% 22/03/2034	53,669,514	3.73
GBP16,579,566	United Kingdom Gilt Inflation Linked 2% 26/01/2035	50,538,758	3.51
GBP22,409,452	United Kingdom Gilt Inflation Linked 0.125% 22/11/2036	39,358,111	2.74
GBP23,786,022	United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	62,882,223	4.37
GBP25,541,530	United Kingdom Gilt Inflation Linked 0.625% 22/03/2040	61,635,736	4.28
GBP19,480,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2041	34,655,424	2.41
GBP22,983,653	United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	60,164,197	4.18
GBP28,028,823	United Kingdom Gilt Inflation Linked 0.125% 22/03/2044	60,314,526	4.19
GBP24,732,114	United Kingdom Gilt Inflation Linked 0.125% 22/03/2046	51,882,305	3.61
GBP21,770,215	United Kingdom Gilt Inflation Linked 0.75% 22/11/2047	66,238,752	4.60
GBP18,796,276	United Kingdom Gilt Inflation Linked 0.125% 10/08/2048	38,790,921	2.70
GBP22,841,983	United Kingdom Gilt Inflation Linked 0.5% 22/03/2050	67,512,805	4.69

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Long Dated — (cont.)</b>			
GBP22,737,660	United Kingdom Gilt Inflation Linked 0.25% 22/03/2052	58,618,706	4.07
GBP18,634,787	United Kingdom Gilt Inflation Linked 1.25% 22/11/2055	80,851,461	5.62
GBP10,722,881	United Kingdom Gilt Inflation Linked 0.125% 22/11/2056	26,988,025	1.88
GBP20,344,189	United Kingdom Gilt Inflation Linked 0.125% 22/03/2058	54,067,501	3.76
GBP22,943,966	United Kingdom Gilt Inflation Linked 0.375% 22/03/2062	75,737,748	5.26
GBP13,297,247	United Kingdom Gilt Inflation Linked 0.125% 22/11/2065	40,351,985	2.81
GBP22,765,313	United Kingdom Gilt Inflation Linked 0.125% 22/03/2068	76,655,563	5.33
		<b>1,146,989,093</b>	<b>79.73</b>
<b>Portfolio of investments</b>		<b>1,435,296,292</b>	<b>99.77</b>
<b>Net other assets</b>		<b>3,263,004</b>	<b>0.23</b>
<b>Total net assets</b>		<b>£1,438,559,296</b>	<b>100.00%</b>

Total purchases for the period: £98,997,063.

Total sales for the period: £286,317,325.

## Financial Statements

### Statement of Total Return for the period ended 26 May 2020

	26/05/20		26/05/19	
	£	£	£	£
<b>Income</b>				
<b>Net capital gains</b>		119,644,415		125,052,871
<b>Revenue</b>	2,176,875		3,683,878	
<b>Expenses</b>	(999,052)		(1,014,493)	
<b>Interest payable and similar charges</b>	(33)		(494)	
<b>Net revenue before taxation</b>	1,177,790		2,668,891	
<b>Taxation</b>	—		—	
<b>Net revenue after taxation for the period</b>		1,177,790		2,668,891
<b>Total return before distributions</b>		120,822,205		127,721,762
<b>Distributions</b>		(229,522)		(46,416)
<b>Change in net assets attributable to Unitholders from investment activities</b>		<b>£120,592,683</b>		<b>£127,675,346</b>

### Statement of Change in Net Assets attributable to Unitholders for the period ended 26 May 2020

	26/05/20		26/05/19	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		1,511,703,512		1,365,976,516
<b>Amounts received on issue of units</b>	90,919,606		147,673,155	
<b>Amounts paid on cancellation of units</b>	(284,656,505)		(159,569,569)	
		(193,736,899)		(11,896,414)
<b>Change in net assets attributable to Unitholders from investment activities</b>		120,592,683		127,675,346
<b>Closing net assets attributable to Unitholders</b>		<b>£1,438,559,296</b>		<b>£1,481,755,448</b>

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

## Financial Statements continued

### Balance Sheet as at 26 May 2020

	26/05/20	26/11/19
	£	£
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	1,435,296,292	1,504,543,447
<b>Current assets:</b>		
Debtors	1,261,353	1,649,408
Cash and bank balances	<u>2,198,222</u>	<u>5,827,392</u>
<b>Total assets</b>	<u><b>1,438,755,867</b></u>	<u><b>1,512,020,247</b></u>
<b>LIABILITIES</b>		
<b>Creditors:</b>		
Other creditors	<u>(196,571)</u>	<u>(316,735)</u>
<b>Total liabilities</b>	<u><b>(196,571)</b></u>	<u><b>(316,735)</b></u>
<b>Net assets attributable to Unitholders</b>	<u><b>£1,438,559,296</b></u>	<u><b>£1,511,703,512</b></u>

# Notes to the Financial Statements

## 1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

## 2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

### (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 Trust size, cash flows through the Trust and Trust liquidity.

## Trust Information

### Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
F-Class			
Distribution Units	11,722	8,582	136.59
Accumulation Units	680,961	432,771	157.35
I-Class			
Distribution Units	382,297,159	277,217,525	137.91
Accumulation Units	698,977,359	438,792,261	159.30
C-Class			
Distribution Units	279,747,368	201,793,264	138.63
Accumulation Units	67,300,338	42,021,219	160.16
L-Class			
Accumulation Units	9,544,389	16,885,977	56.52

**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.**

### Ongoing Charges Figures

	26 May 20	26 Nov 19
F-Class	0.37%	0.37%
I-Class	0.15%	0.15%
C-Class	0.10%	0.10%
L-Class	0.03%	0.03%

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

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

### Distribution Information

As at 26 May 2020, the whole Trust was in a shortfall position, as the expenses of the Trust exceeded distributable revenue and as such there is no interim distribution payable.

## Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust 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 Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category five because it invests in 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 trust in the lowest category is not a risk free investment.

## General Information

### Constitution

Launch date:	4 February 2004
Period end dates for distributions:	26 May, 26 November
Distribution dates:	26 July, 26 January
Minimum initial lump sum investment:	F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000 L-Class*** £100,000
Valuation point:	12 noon
Fund management fees:	F-Class* Annual 0.37% I-Class Annual 0.15% C-Class** Annual 0.10% L-Class*** Annual 0.03%
Initial charges:	Nil for all existing unit classes

\* Class F units are available to:

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

\*\* 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 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.

## General Information continued

### ISA Status

This Trust 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.

### Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Trust is 0.09%, whilst over the last three years to the end of May 2020, the annualised Tracking Error of the Trust is 0.08%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.25% per annum.

### EU Savings Directive

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

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

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

### Significant Change

#### Closure of F-Class Units

With effect from 12 December 2019, F-Class units are no longer available to new business.

## General Information 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\*  
A. J. C. Craven  
S. Hynes  
H. Morrissey (resigned 18 October 2019)  
H. Solomon  
L. W. Toms  
A. R. Toutouchi\*

\*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 Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent Auditor

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  
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