

Legal & General Short Dated
Sterling Corporate Bond Index Fund

**Annual Manager's Report
for the year ended
15 February 2018**

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Contents

	Page Number
Manager's Investment Report*	2
Authorised Status*	4
Directors' Statement	4
Statement of the Manager's Responsibilities	5
Statement of the Trustee's Responsibilities	6
Report of the Trustee	7
Portfolio Statement*	8
Independent Auditors' Report	18
Statement of Total Return	21
Statement of Change in Net Assets attributable to Unitholders	21
Balance Sheet	22
Notes to the Financial Statements	23
Distribution Tables	34
Fund Information*	36
Risk and Reward Profile*	42
General Information*	43

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

Manager's Investment Report

Investment Objective and Policy

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 purpose of efficient portfolio management.

Manager's Investment Report

During the year under review, the bid price of the Fund's I-Class accumulation units rose by 1.07%. 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 period, the Fund performance was 1.06%, compared with the Index performance of 0.81%, producing a tracking difference of 0.25%.

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.

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 Review

The global economic background has improved over the review year, led by a solid growth in the major developed economies. Despite a rise in commodity prices, with the oil price ending the review year at a three-year high, inflationary pressures worldwide have remained subdued. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the review year. The Fed also began unwinding its asset purchase programme, known as quantitative easing (QE), in October. The European Central Bank (ECB) announced it would reduce its monthly asset purchase programme with effect from 2018 however, with inflation remaining subdued, the ECB has signalled monetary policy will remain accommodative.

In the UK, both economic and political uncertainty have heightened over the review year, as the June general election resulted in a hung parliament and Brexit negotiations began. The Bank of England (BoE) voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum. The sharp devaluation of Sterling following the EU referendum has fed through to inflation, which has accelerated above the BoE's 2% target to record a five-year high in recent months. The Bank's decision to add high quality corporate bonds to its QE programme sparked an upsurge in new issuance in the Sterling-denominated market in 2017. The BoE completed its programme in March,

Manager's Investment Report continued

but income-seeking investors continued to purchase corporate bonds as yields on government bonds remained unattractively low.

Fund Review

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

During the review year, 103 bonds were added to the Index; thirty-one were new issues and two bonds entered the Index due to rating upgrade. The rest were existing bonds that entered the Index by falling below five years to maturity.

Six bonds left the Index after the amount remaining in issue on the bonds fell below the Index minimum issue size following a corporate action; three bonds left after being called. A further fifty-eight bonds with less than a year to maturity also left the Index. The Fund participated in twenty-nine new issues from issuers including Deutsche Bank, LVMH, Wells Fargo and National Australia Bank. The Fund also took part in five corporate actions across a range of sectors.

The Fund experienced net positive cash flow during the review 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.

Outlook

Looking ahead, central banks are expected to gradually remove their support. This could lead to higher volatility in markets if investors decide the withdrawal is premature or too fast. As interest rates rise to attract money into government bonds, we could see the 'hunt for yield' trade that has supported credit markets in recent years start to fade.

In the UK, the BoE signalled a tightening earlier than anticipated by the market and raised the possibility of two rate hikes in 2018. We think this is the next critical phase for credit markets and could lead to wider spreads as premium for structural risks of excess debt, weak productivity and political instability is more accurately reflected in valuations.

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

Legal & General Investment Management Limited
(Investment Adviser)
9 March 2018

Authorised Status

Authorised Status

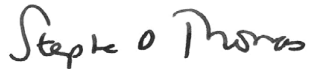
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
4 April 2018

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

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

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

Statement of 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, 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 2018

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 Limited
UK Trustee and Depositary Services
4 April 2018

Portfolio Statement

Portfolio Statement as at 15 February 2018

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 February 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CORPORATE BONDS		
	— 96.14% (97.15%)		
	UNITED KINGDOM		
	— 38.14% (42.48%)		
GBP1,930,000	Anglian Water Services Financing 5.837% 30/07/2022	2,266,521	0.32
GBP1,000,000	Anglian Water Services Financing 6.875% 21/08/2023	1,250,378	0.18
GBP2,600,000	Arqiva Financing 4.04% 30/06/2035	2,713,794	0.39
GBP2,650,000	Aviva 6.625% 03/06/2041	2,983,969	0.42
GBP1,994,000	Aviva 6.875% 29/11/2049	2,133,580	0.30
GBP3,242,000	Aviva 5.902% Open Maturity	3,448,677	0.49
GBP4,600,000	Aviva 6.125% Open Maturity	5,142,800	0.73
GBP2,500,000	BAE Systems 4.125% 08/06/2022	2,725,700	0.39
GBP1,137,000	Bank of Scotland 6.375% 16/08/2019	1,214,604	0.17
GBP2,750,000	Bank of Scotland 9.375% 15/05/2021	3,350,116	0.48
GBP8,850,000	Barclays 2.375% 06/10/2023	8,816,662	1.26
GBP11,600,000	Barclays Bank 10% 21/05/2021	14,296,849	2.03
GBP1,460,000	Barclays Bank 9.5% 07/08/2021	1,785,387	0.25
GBP611,000	Barclays Bank 7.125% Open Maturity	679,508	0.10
GBP473,000	Barclays Bank 8.25% Open Maturity	498,353	0.07
GBP2,762,000	BAT International Finance 6.375% 12/12/2019	3,009,014	0.43
GBP3,152,000	BAT International Finance 1.75% 05/07/2021	3,156,756	0.45
GBP1,200,000	BAT International Finance 6% 29/06/2022	1,402,568	0.20
GBP545,000	Birmingham Airport Finance 6.25% 22/02/2021	610,828	0.09
GBP1,217,000	British Telecommunications 8.625% 26/03/2020	1,395,648	0.20
GBP2,800,000	BUPA Finance 3.375% 17/06/2021	2,940,784	0.42
GBP1,502,000	BUPA Finance 6.125% Open Maturity	1,624,037	0.23
GBP4,604,000	Cadent Finance 1.125% 22/09/2021	4,515,101	0.64
GBP3,200,000	Centrica 6.375% 10/03/2022	3,752,000	0.53
GBP2,050,000	Close Brothers Finance 3.875% 27/06/2021	2,170,700	0.31
GBP2,593,000	Coventry Building Society 6% 16/10/2019	2,792,091	0.40
GBP1,180,000	Coventry Building Society 1% 05/05/2020	1,170,436	0.17
GBP3,089,000	Coventry Building Society 5.875% 28/09/2022	3,613,253	0.51
GBP2,000,000	CYBG 5% 09/02/2026	2,096,428	0.30
GBP2,288,000	Direct Line Insurance Group 9.25% 27/04/2042	2,881,484	0.41
GBP2,200,000	Eastern Power Networks 4.75% 30/09/2021	2,432,395	0.35

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP2,078,000	EE Finance 4.375% 28/03/2019	2,148,083	0.31
GBP1,350,000	ENW Finance 6.125% 21/07/2021	1,544,054	0.22
GBP2,365,000	Experian Finance 3.5% 15/10/2021	2,508,849	0.36
GBP1,750,000	FCE Bank 2.625% 20/11/2018	1,769,687	0.25
GBP2,197,000	FCE Bank 2.75% 13/11/2019	2,246,960	0.32
GBP1,550,000	FCE Bank 3.25% 19/11/2020	1,607,769	0.23
GBP1,600,000	FCE Bank 2.727% 03/06/2022	1,636,638	0.23
GBP1,218,000	Firstgroup 6.125% 18/01/2019	1,270,188	0.18
GBP1,853,000	Firstgroup 8.75% 08/04/2021	2,222,440	0.32
GBP2,000,000	Firstgroup 5.25% 29/11/2022	2,257,836	0.32
GBP1,000,000	Friends Life 12% 21/05/2021	1,315,251	0.19
GBP3,605,000	Friends Life 8.25% 21/04/2022	4,495,190	0.64
GBP1,835,000	G4S 7.75% 13/05/2019	1,974,042	0.28
GBP1,873,000	GKN 6.75% 28/10/2019	2,026,646	0.29
GBP2,750,000	GKN 5.375% 19/09/2022	3,029,037	0.43
GBP917,000	HSBC Bank 5% 20/03/2023	919,250	0.13
GBP990,000	Imperial Brands Finance 6.25% 04/12/2018	1,030,038	0.15
GBP3,213,000	Imperial Brands Finance 7.75% 24/06/2019	3,484,765	0.50
GBP6,000,000	Imperial Brands Finance 9% 17/02/2022	7,587,174	1.08
GBP2,500,000	InterContinental Hotels Group 3.875% 28/11/2022	2,697,500	0.38
GBP2,350,000	Investec 4.5% 05/05/2022	2,510,576	0.36
GBP4,431,000	Investec Bank 9.625% 17/02/2022	5,441,990	0.77
GBP1,632,000	Legal & General Group 10% 23/07/2041	2,035,802	0.29
GBP2,224,000	Legal & General Group 5.875% Open Maturity	2,281,602	0.32
GBP1,650,000	Lendlease Europe Finance 6.125% 12/10/2021	1,871,938	0.27
GBP927,000	Lloyds Bank 6.75% 24/10/2018	963,612	0.14
GBP3,320,000	Lloyds Bank 5.75% 09/07/2025	3,603,130	0.51
GBP1,836,000	London Stock Exchange Group 9.125% 18/10/2019	2,070,889	0.29
GBP2,223,000	Marks & Spencer 6.125% 02/12/2019	2,397,995	0.34
GBP1,500,000	Marks & Spencer 6.125% 06/12/2021	1,713,888	0.24
GBP1,664,000	Motability Operations Group 6.625% 10/12/2019	1,824,416	0.26
GBP2,867,000	Motability Operations Group 5.375% 28/06/2022	3,320,783	0.47
GBP1,233,000	National Express Group 6.625% 17/06/2020	1,368,529	0.19
GBP600,000	National Grid Gas 6.375% 03/03/2020	660,702	0.09
GBP1,670,000	National Westminster Bank 6.5% 07/09/2021	1,908,038	0.27
GBP3,984,000	Nationwide Building Society 5.625% 09/09/2019	4,252,402	0.61
GBP3,652,000	Nationwide Building Society 2.25% 29/04/2022	3,732,150	0.53

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP2,146,300	Nats En Route 5.25% 31/03/2026	2,445,724	0.35
GBP2,400,000	Next 5.375% 26/10/2021	2,673,466	0.38
GBP511,000	Northern Electric Finance 8.875% 16/10/2020	607,414	0.09
GBP796,000	Northern Gas Networks Finance 5.875% 08/07/2019	845,535	0.12
GBP1,170,000	Northern Powergrid 7.25% 15/12/2022	1,446,479	0.21
GBP575,000	Northern Powergrid Yorkshire 9.25% 17/01/2020	658,786	0.09
GBP1,277,000	NRAM 6.375% 02/12/2019	1,378,009	0.20
GBP1,995,000	Provident Financial 8% 23/10/2019	1,852,318	0.26
GBP1,420,000	Prudential 1.75% 27/11/2018	1,427,995	0.20
GBP1,834,000	Prudential 11.375% 29/05/2039	2,056,534	0.29
GBP2,000,000	RELX Investments 2.75% 01/08/2019	2,033,632	0.29
GBP2,748,000	Rolls-Royce 6.75% 30/04/2019	2,929,297	0.42
GBP559,000	Royal Bank of Scotland 6.625% 17/09/2018	576,892	0.08
GBP4,620,000	Santander UK 1.875% 17/02/2020	4,667,863	0.66
GBP280,000	Santander UK 9.625% 30/10/2023	295,910	0.04
GBP226,000	Scottish Amicable Finance 8.5% Open Maturity	230,802	0.03
GBP1,510,000	Segro 5.625% 07/12/2020	1,670,385	0.24
GBP914,000	Segro 6.75% 23/11/2021	1,072,467	0.15
GBP1,500,000	Severn Trent Utilities Finance 1.125% 07/09/2021	1,472,007	0.21
GBP2,524,000	Severn Trent Utilities Finance 1.625% 04/12/2022	2,486,938	0.35
GBP2,012,000	Skipton Building Society 1.75% 30/06/2022	1,970,905	0.28
GBP3,066,000	Sky 2.875% 24/11/2020	3,174,726	0.45
GBP1,458,000	Southern Gas Networks 5.125% 02/11/2018	1,499,419	0.21
GBP1,410,000	Southern Gas Networks 4.875% 21/12/2020	1,537,728	0.22
GBP1,781,000	SSE 4.25% 14/09/2021	1,940,834	0.28
GBP1,600,000	SSE 5.875% 22/09/2022	1,880,429	0.27
GBP4,140,000	SSE 3.875% Open Maturity	4,267,781	0.61
GBP2,200,000	SSE 3.625% 16/09/2077	2,260,500	0.32
GBP1,030,000	Standard Chartered Bank 5.375% Open Maturity	1,090,516	0.16
GBP2,000,000	Standard Chartered Bank 7.75% Open Maturity	2,368,116	0.34
GBP2,000,000	Standard Life Aberdeen 5.5% 04/12/2042	2,210,840	0.31
GBP1,645,000	Standard Life Aberdeen 6.546% Open Maturity	1,750,280	0.25
GBP1,250,000	Tate & Lyle International Finance 6.75% 25/11/2019	1,365,495	0.19
GBP750,000	Unilever 2% 19/12/2018	757,225	0.11
GBP1,758,000	Unilever 1.125% 03/02/2022	1,728,771	0.25

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP2,465,000	United Utilities Water 5.75% 25/03/2022	2,851,832	0.41
GBP2,336,000	Virgin Money 2.25% 21/04/2020	2,355,461	0.34
GBP1,136,000	Vodafone Group 8.125% 26/11/2018	1,196,933	0.17
GBP1,383,000	Wales & West Utilities Finance 6.25% 30/11/2021	1,611,209	0.23
GBP480,000	Wales & West Utilities Finance 6.75% 17/12/2036	499,670	0.07
GBP1,762,000	Wellcome Trust Finance 4.75% 28/05/2021	1,951,531	0.28
GBP1,680,000	Wessex Water Services Finance 4% 24/09/2021	1,814,081	0.26
GBP5,000,000	Western Power Distribution East Midlands 5.25% 17/01/2023	5,723,315	0.81
GBP550,000	Western Power Distribution South Wales 9.25% 09/11/2020	661,508	0.09
GBP1,200,000	Yorkshire Building Society 4.125% 20/11/2024	1,241,062	0.18
GBP2,470,000	Zurich Finance UK 6.625% Open Maturity	2,868,288	0.41
		<hr/>	
		268,007,168	38.14
IRELAND — 1.55% (2.95%)			
GBP1,858,000	ESB Finance 6.5% 05/03/2020	2,040,244	0.29
GBP688,000	GE Capital UK Funding Unlimited 6.75% 06/08/2018	705,738	0.10
GBP667,000	GE Capital UK Funding Unlimited 5.625% 25/04/2019	699,347	0.10
GBP2,651,000	GE Capital UK Funding Unlimited 4.375% 31/07/2019	2,759,296	0.39
GBP4,226,000	GE Capital UK Funding Unlimited 5.875% 04/11/2020	4,674,780	0.67
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		10,879,405	1.55
CHANNEL ISLANDS — 3.37% (2.68%)			
GBP889,000	ASIF III Jersey 5% 18/12/2018	917,742	0.13
GBP5,200,000	Credit Suisse Group Funding Guernsey 3% 27/05/2022	5,385,364	0.77
GBP550,000	Glencore Finance Europe 6.5% 27/02/2019	578,379	0.08
GBP2,500,000	Glencore Finance Europe 6% 03/04/2022	2,850,000	0.41
GBP2,450,000	Heathrow Funding 6% 20/03/2020	2,670,052	0.38
GBP3,750,000	Heathrow Funding 5.225% 15/02/2023	4,298,460	0.61
GBP1,450,000	Heathrow Funding 9.2% 29/03/2023	1,774,815	0.25
GBP1,954,000	HSBC Bank Capital Funding Sterling 2 5.862% Open Maturity	2,076,125	0.30
GBP3,000,000	Kennedy Wilson Europe Real Estate 3.95% 30/06/2022	3,110,607	0.44
		<hr/>	
		23,661,544	3.37

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CONTINENTAL EUROPE — 30.80% (28.26%)		
	Belgium — 0.17% (0.37%)		
GBP1,169,000	Eni Finance International 5% 27/01/2019	1,209,833	0.17
	Denmark — 0.00% (0.39%)		
	Finland — 0.31% (0.00%)		
GBP2,118,000	OP Corporate Bank 2.5% 20/05/2022	2,178,363	0.31
	France — 6.46% (6.26%)		
GBP2,700,000	AXA 7.125% 15/12/2020	3,080,411	0.44
GBP1,219,000	AXA 6.772% Open Maturity	1,299,210	0.19
GBP1,300,000	Banque Federative du Credit Mutuel 0.875% 08/06/2020	1,283,104	0.18
GBP2,900,000	Banque Federative du Credit Mutuel 1.375% 20/12/2021	2,864,086	0.41
GBP2,442,000	BNP Paribas 2.375% 20/11/2019	2,492,354	0.36
GBP2,200,000	BNP Paribas 5.75% 24/01/2022	2,499,504	0.36
GBP2,928,000	BNP Paribas 1.125% 16/08/2022	2,832,793	0.40
GBP2,000,000	CNP Assurances 7.375% 30/09/2041	2,315,000	0.33
GBP1,856,000	Credit Agricole 5.5% 17/12/2021	2,122,781	0.30
GBP2,050,000	Electricite de France 6.875% 12/12/2022	2,518,458	0.36
GBP1,000,000	Engie 6.125% 11/02/2021	1,133,944	0.16
GBP900,000	Engie 4.625% Open Maturity	920,610	0.13
GBP3,342,000	LVMH 1% 14/06/2022	3,274,465	0.47
GBP2,650,000	Orange 7.25% 10/11/2020	3,050,834	0.43
GBP3,700,000	Orange 5.875% Open Maturity	4,089,425	0.58
GBP1,339,000	RCI Banque 3% 09/05/2019	1,367,251	0.19
GBP2,416,000	RCI Banque 1.875% 08/11/2022	2,400,736	0.34
GBP1,939,000	Total Capital International 2.25% 17/12/2020	1,986,265	0.28
GBP2,605,000	Total Capital International 2.25% 09/06/2022	2,676,096	0.38
GBP1,050,000	WPP Finance 6.375% 06/11/2020	1,181,664	0.17
		45,388,991	6.46
	Germany — 3.43% (2.62%)		
GBP1,250,000	Daimler 1% 20/12/2019	1,244,203	0.18
GBP3,228,000	Daimler 2.75% 04/12/2020	3,337,142	0.47
GBP1,500,000	Daimler 2.375% 16/12/2021	1,540,344	0.22
GBP3,016,000	Daimler 1.5% 13/01/2022	2,993,392	0.43
GBP2,590,000	Daimler 2.125% 07/06/2022	2,634,315	0.37
GBP4,900,000	Deutsche Bank 1.875% 28/02/2020	4,906,850	0.70
GBP2,400,000	Deutsche Bank 1.75% 16/12/2021	2,354,150	0.33
GBP1,500,000	Henkel AG & Company 0.875% 13/09/2022	1,455,576	0.21
GBP3,100,000	Muenchener Rueckversicherungs- Gesellschaft 6.625% 26/05/2042	3,625,540	0.52
		24,091,512	3.43

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Italy — 2.65% (1.14%)			
GBP446,000	Acquedotto Pugliese 6.92% 29/06/2018	454,255	0.06
GBP3,000,000	Assicurazioni Generali 6.416% Open Maturity	3,284,940	0.47
GBP2,300,000	Autostrade per l'Italia 6.25% 09/06/2022	2,705,568	0.38
GBP2,890,000	Enel 6.25% 20/06/2019	3,076,050	0.44
GBP2,500,000	Enel 7.75% 10/09/2075	2,850,000	0.41
GBP3,100,000	Enel 6.625% 15/09/2076	3,521,547	0.50
GBP2,207,000	FCA Bank 1.625% 29/09/2021	2,178,671	0.31
GBP500,000	Intesa Sanpaolo 5.25% 28/01/2022	558,807	0.08
		18,629,838	2.65
Luxembourg — 0.04% (0.00%)			
GBP248,000	Gaz Capital 5.338% 25/09/2020	266,476	0.04
Netherlands — 10.86% (10.95%)			
GBP1,700,000	ABN AMRO Bank 4.875% 16/01/2019	1,758,011	0.25
GBP2,200,000	ABN AMRO Bank 1% 30/06/2020	2,177,547	0.31
GBP2,100,000	ABN AMRO Bank 2.375% 07/12/2021	2,154,390	0.31
GBP3,900,000	ABN AMRO Bank 1.375% 07/06/2022	3,830,324	0.54
GBP2,265,000	BMW Finance 3.375% 14/12/2018	2,310,137	0.33
GBP1,956,000	BMW Finance 1.875% 29/06/2020	1,977,892	0.28
GBP1,750,000	BMW Finance 2.375% 01/12/2021	1,794,490	0.25
GBP3,722,000	BMW Finance 0.875% 16/08/2022	3,574,758	0.51
GBP1,250,000	BMW International Investment 1% 17/11/2021	1,222,077	0.17
GBP2,400,000	Cooperatieve Rabobank 4.625% 13/01/2021	2,605,097	0.37
GBP3,257,000	Cooperatieve Rabobank 2.25% 23/03/2022	3,325,049	0.47
GBP3,789,000	Cooperatieve Rabobank 4% 19/09/2022	4,144,579	0.59
GBP1,68,000	Cooperatieve Rabobank 4.875% 10/01/2023	190,889	0.03
GBP2,613,000	Daimler International Finance 3.5% 06/06/2019	2,690,528	0.38
GBP1,283,000	Deutsche Telekom International Finance 7.375% 04/12/2019	1,419,511	0.20
GBP5,130,000	Deutsche Telekom International Finance 6.5% 08/04/2022	6,091,372	0.87
GBP4,800,000	E.ON International Finance 6% 30/10/2019	5,174,736	0.74
GBP2,750,000	ELM 6.302% Open Maturity	2,879,470	0.41
GBP3,406,000	ING Bank 5.375% 15/04/2021	3,798,088	0.54
GBP3,650,000	RWE Finance 6.5% 20/04/2021	4,191,368	0.60
GBP3,200,000	RWE Finance 5.5% 06/07/2022	3,683,542	0.52
GBP2,002,000	Shell International Finance 2% 20/12/2019	2,032,322	0.29
GBP1,858,000	Volkswagen Financial Services 2.375% 13/11/2018	1,876,227	0.27
GBP1,446,000	Volkswagen Financial Services 2.625% 22/07/2019	1,472,384	0.21

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Netherlands — (cont.)			
GBP2,325,000	Volkswagen Financial Services 1.75% 17/04/2020	2,335,746	0.33
GBP897,000	Volkswagen Financial Services 2.75% 02/10/2020	922,699	0.13
GBP3,017,000	Volkswagen Financial Services 1.5% 12/04/2021	2,994,439	0.43
GBP2,100,000	Volkswagen Financial Services 1.625% 09/06/2022	2,080,117	0.30
GBP1,650,000	Volkswagen Financial Services 1.75% 12/09/2022	1,633,124	0.23
		76,340,913	10.86
Norway — 0.37% (0.61%)			
GBP2,430,000	DNB Bank 4.25% 27/01/2020	2,568,379	0.37
Spain — 1.35% (1.39%)			
GBP4,300,000	Telefonica Emisiones 5.597% 12/03/2020	4,654,604	0.66
GBP4,200,000	Telefonica Emisiones 5.289% 09/12/2022	4,815,451	0.69
		9,470,055	1.35
Sweden — 4.13% (3.52%)			
GBP2,198,000	Nordea Bank 2.125% 13/11/2019	2,233,821	0.32
GBP4,410,000	Nordea Bank 2.375% 02/06/2022	4,531,359	0.65
GBP2,223,000	Skandinaviska Enskilda Banken 3% 18/12/2020	2,315,797	0.33
GBP3,700,000	Skandinaviska Enskilda Banken 1.25% 05/08/2022	3,616,939	0.51
GBP2,399,000	Svenska Handelsbanken 4% 18/01/2019	2,464,255	0.35
GBP2,355,000	Svenska Handelsbanken 3% 20/11/2020	2,451,555	0.35
GBP2,150,000	Svenska Handelsbanken 2.375% 18/01/2022	2,205,474	0.31
GBP2,169,000	Svenska Handelsbanken 2.75% 05/12/2022	2,269,848	0.32
GBP1,756,000	Swedbank 1.625% 15/04/2019	1,767,138	0.25
GBP3,620,000	Swedbank 1.25% 29/12/2021	3,559,618	0.51
GBP1,477,000	Vattenfall 6.125% 16/12/2019	1,603,535	0.23
		29,019,339	4.13
Switzerland — 1.03% (1.01%)			
GBP6,500,000	UBS 1.25% 10/12/2020	6,451,452	0.92
GBP722,000	UBS 6.375% 19/11/2024	774,222	0.11
		7,225,674	1.03
NORTH AMERICA — 16.97% (16.04%)			
Bermuda — 0.37% (0.21%)			
GBP2,296,000	Fidelity International 6.75% 19/10/2020	2,578,247	0.37
British Virgin Islands — 0.47% (0.00%)			
GBP3,000,000	Global Switch 4.375% 13/12/2022	3,309,780	0.47

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Canada — 1.02% (0.68%)			
GBP2,030,000	Bank of Montreal 1.375% 29/12/2021	2,005,358	0.28
GBP1,850,000	Bank of Nova Scotia 1.25% 08/06/2022	1,806,079	0.26
GBP2,982,000	Glencore Canada Financial 7.375% 27/05/2020	3,351,875	0.48
		7,163,312	1.02
Cayman Islands — 2.63% (2.28%)			
GBP707,000	ASIF II 6.375% 05/10/2020	790,483	0.11
GBP2,000,000	Dwr Cymru Financing 6.907% 31/03/2021	2,330,776	0.33
GBP3,000,000	Phoenix Group 4.125% 20/07/2022	3,139,530	0.45
GBP1,296,000	South East Water Finance 5.658% 30/09/2019	1,378,669	0.20
GBP2,234,000	Southern Water Services Finance 6.125% 31/03/2019	2,353,510	0.34
GBP2,000,000	Southern Water Services Finance 5% 31/03/2021	2,201,936	0.31
GBP1,761,000	Southern Water Services Finance 4.5% 31/03/2038	1,889,051	0.27
GBP2,250,000	Thames Water Utilities Cayman Finance 5.75% 13/09/2030	2,531,291	0.36
GBP1,731,000	Yorkshire Water Services Bradford Finance 6% 21/08/2019	1,851,739	0.26
		18,466,985	2.63
Mexico — 0.44% (0.69%)			
GBP2,849,000	America Movil 6.375% 06/09/2073	3,119,655	0.44
United States — 12.04% (12.18%)			
GBP1,633,000	American Honda Finance 1.3% 21/03/2022	1,609,315	0.23
GBP2,154,000	American Honda Finance 2.625% 14/10/2022	2,235,658	0.32
GBP4,604,000	Bank of America 5.5% 04/12/2019	4,952,122	0.70
GBP4,100,000	Bank of America 6.125% 15/09/2021	4,709,580	0.67
GBP2,250,000	Bank of America 5.5% 22/11/2021	2,530,719	0.36
GBP1,676,000	BMW US Capital 2% 20/11/2019	1,695,261	0.24
GBP943,000	Citigroup 6.25% 02/09/2019	1,014,337	0.14
GBP457,000	Fidelity National Information Services 1.7% 30/06/2022	450,644	0.06
GBP1,424,000	General Electric 6.25% 29/09/2020	1,585,271	0.23
GBP1,914,000	General Electric 5.5% 07/06/2021	2,131,101	0.30
GBP3,500,000	Goldman Sachs 5.5% 12/10/2021	3,907,270	0.56
GBP4,100,000	International Business Machines 2.75% 21/12/2020	4,258,252	0.61
GBP2,940,000	International Business Machines 2.625% 05/08/2022	3,062,792	0.44
GBP4,120,000	JPMorgan Chase 1.875% 10/02/2020	4,173,828	0.59
GBP1,500,000	McDonald's 6.375% 03/02/2020	1,640,528	0.23
GBP2,375,000	MetLife 5.25% 29/06/2020	2,577,361	0.37
GBP2,584,000	Metropolitan Life Global Funding I 1.125% 15/12/2021	2,528,330	0.36

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
United States — (cont.)			
GBP3,954,000	Metropolitan Life Global Funding I 2.625% 05/12/2022	4,079,891	0.58
GBP2,500,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	2,593,415	0.37
GBP2,434,000	National Capital Trust I 5.62% Open Maturity	2,496,676	0.35
GBP2,951,000	Nestle 1.75% 09/12/2020	2,988,466	0.42
GBP2,062,000	Nestle 1% 11/06/2021	2,038,184	0.29
GBP1,267,000	New York Life Global Funding 1% 15/12/2021	1,241,166	0.18
GBP3,643,000	PepsiCo 2.5% 01/11/2022	3,793,849	0.54
GBP1,969,000	Rabobank Capital Funding Trust IV 5.556% Open Maturity	2,080,329	0.30
GBP361,000	Textron 6.625% 07/04/2020	392,724	0.06
GBP2,450,000	Toyota Motor Credit 1.125% 07/09/2021	2,419,860	0.34
GBP2,600,000	Toyota Motor Credit 1% 27/09/2022	2,523,797	0.36
GBP2,300,000	Walgreens Boots Alliance 2.875% 20/11/2020	2,368,526	0.34
GBP6,361,000	Wells Fargo 2.125% 22/04/2022	6,368,213	0.91
GBP4,284,000	Wells Fargo 1.375% 30/06/2022	4,147,143	0.59
		84,594,608	12.04
PACIFIC BASIN — 5.31% (4.74%)			
Australia — 4.66% (3.86%)			
GBP800,000	AusNet Services 7.125% 26/06/2018	817,610	0.12
GBP3,900,000	BHP Billiton Finance 6.5% 22/10/2077	4,528,875	0.64
GBP420,000	Commonwealth Bank of Australia 4.875% 19/12/2023	431,863	0.06
GBP1,450,000	Macquarie Bank 3.5% 18/12/2020	1,520,395	0.22
GBP3,615,000	National Australia Bank 1.875% 20/02/2020	3,650,868	0.52
GBP2,240,000	National Australia Bank 0.875% 26/06/2020	2,212,517	0.31
GBP3,807,000	National Australia Bank 5.125% 09/12/2021	4,272,962	0.61
GBP1,450,000	National Australia Bank 1.375% 27/06/2022	1,418,028	0.20
GBP3,000,000	QBE Insurance Group 6.115% 24/05/2042	3,355,206	0.48
GBP1,446,000	Scentre Group Trust 2.375% 08/04/2022	1,472,864	0.21
GBP1,100,000	SGSP Australia Assets 5.125% 11/02/2021	1,200,665	0.17
GBP3,535,000	Westpac Banking 5% 21/10/2019	3,755,167	0.53
GBP4,000,000	Westpac Banking 2.625% 14/12/2022	4,135,176	0.59
		32,772,196	4.66
New Zealand — 0.65% (0.88%)			
GBP1,375,000	ASB Finance 1% 07/09/2020	1,357,216	0.19
GBP1,800,000	Chorus 6.75% 06/04/2020	1,982,221	0.28
GBP250,000	Vector 7.625% 14/01/2019	262,687	0.04

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	New Zealand — (cont.)		
GBP925,000	Westpac Securities 2.5% 13/01/2021	947,302	0.14
		4,549,426	0.65
	GOVERNMENT BONDS		
	— 0.65% (0.15%)		
	UNITED KINGDOM — 0.65% (0.15%)		
GBP4,700,000	United Kingdom Gilt 0.75% 22/07/2023	4,565,326	0.65
	Portfolio of investments	680,057,025	96.79
	Net other assets	22,545,299	3.21
	Total net assets	£702,602,324	100.00%

All holdings are in Investment Grade securities.

Total purchases for the year: £515,099,930.

Total sales for the year: £241,621,892.

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 Auditors' Report

Independent auditors' report to the Unitholders of Legal & General Short Dated Sterling Corporate Bond Index Fund

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General Short Dated Sterling Corporate Bond Index Fund's financial statements:

- give a true and fair view of the financial position of the Fund as at 15 February 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 15 February 2018; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Independent Auditors' Report continued

Reporting on other information

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

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

Authorised Fund Manager's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 5, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the 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 the Authorised Fund Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Independent Auditors' Report continued

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 April 2018

Financial Statements

Statement of Total Return for the year ended 15 February 2018

Notes	15/02/18		15/02/17	
	£	£	£	£
Income				
Net capital (losses)/ gains	3	(7,996,094)		8,379,742
Revenue	4	11,696,019	7,542,118	
Expenses	5	(628,750)	(303,743)	
Interest payable and similar charges	7	(1)	(1)	
Net revenue before taxation		<u>11,067,268</u>	<u>7,238,374</u>	
Taxation	6	—	—	
Net revenue after taxation for the year		<u>11,067,268</u>	<u>7,238,374</u>	
Total return before distributions		<u>3,071,174</u>	<u>15,618,116</u>	
Distributions	7	(11,696,018)	(7,542,117)	
Change in net assets attributable to Unitholders from investment activities		<u>£(8,624,844)</u>	<u>£8,075,999</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 15 February 2018

	15/02/18		15/02/17	
	£	£	£	£
Opening net assets attributable to Unitholders		439,529,678		247,536,986
Amounts received on issue of units		385,660,967	233,495,196	
Amounts paid on cancellation of units		<u>(122,324,735)</u>	<u>(55,036,444)</u>	
		263,336,232	178,458,752	
Change in net assets attributable to Unitholders from investment activities		(8,624,844)	8,075,999	
Retained distributions on accumulation units		<u>8,361,258</u>	<u>5,457,941</u>	
Closing net assets attributable to Unitholders		<u>£702,602,324</u>	<u>£439,529,678</u>	

Financial Statements continued

Balance Sheet as at 15 February 2018

	Notes	15/02/18 £	15/02/17 £
ASSETS			
Fixed assets:			
Investments		680,057,025	427,658,218
Current assets:			
Debtors	8	20,266,568	19,118,537
Cash and bank balances	9	11,675,509	4,698,617
Total assets		711,999,102	451,475,372
LIABILITIES			
Creditors:			
Distributions payable		(2,381,420)	(1,917,101)
Other creditors	10	(7,015,358)	(10,028,593)
Total liabilities		(9,396,778)	(11,945,694)
Net assets attributable to Unitholders		£702,602,324	£439,529,678

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The principal accounting policies which have been applied consistently 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.

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

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 15 February 2018, 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.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(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 (losses)/gains

	15/02/18	15/02/17
	£	£
The net capital losses during the year comprise:		
Non-derivative securities	<u>(7,996,094)</u>	<u>8,379,742</u>
Net capital (losses)/gains	<u>(7,996,094)</u>	<u>8,379,742</u>

4. Revenue

	15/02/18	15/02/17
	£	£
Bond Interest	11,693,429	7,535,985
Bank interest	<u>2,590</u>	<u>6,133</u>
	<u>11,696,019</u>	<u>7,542,118</u>

5. Expenses

	15/02/18	15/02/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>628,750</u>	<u>303,743</u>
Total expenses	<u>628,750</u>	<u>303,743</u>

Audit fees of £11,278 plus VAT on Audit fees of £2,256 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £10,950 plus VAT of £2,190.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	15/02/18	15/02/17
	£	£
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	11,067,268	7,238,374
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	2,213,454	1,447,675
Effects of:		
Interest distributions deductible for tax purposes	(2,213,454)	(1,447,675)
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:

	15/02/18	15/02/17
	£	£
Interim distribution	5,901,702	2,920,351
Final distribution	<u>7,076,184</u>	<u>5,316,719</u>
	12,977,886	8,237,070
Add: Revenue deducted on cancellation of units	858,072	261,922
Less: Revenue received on creation of units	(2,139,940)	(1,647,257)
Income tax withheld	<u>—</u>	<u>690,382</u>
Distributions for the year	11,696,018	7,542,117
Interest payable and similar charges		
Bank overdraft interest	<u>1</u>	<u>1</u>
	<u>11,696,019</u>	<u>7,542,118</u>

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

	15/02/18	15/02/17
	£	£
Net revenue after taxation for the year	11,067,268	7,238,374
Add: Expenses charged to capital	<u>628,750</u>	<u>303,743</u>
Distributions for the year	11,696,018	7,542,117

8. Debtors

	15/02/18	15/02/17
	£	£
Accrued revenue	13,012,019	9,093,484
Amounts receivable for creation of units	3,906,606	6,265,451
Sales awaiting settlement	<u>3,347,943</u>	<u>3,759,602</u>
	<u>20,266,568</u>	<u>19,118,537</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	15/02/18	15/02/17
	£	£
Cash and bank balances	<u>11,675,509</u>	<u>4,698,617</u>
Net uninvested cash	<u>11,675,509</u>	<u>4,698,617</u>

10. Other creditors

	15/02/18	15/02/17
	£	£
Accrued expenses	31,986	18,201
Amounts payable for cancellation of units	3,473,081	4,214,001
Purchases awaiting settlement	<u>3,510,291</u>	<u>5,796,391</u>
	<u>7,015,358</u>	<u>10,028,593</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (15 February 2017: 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 8. 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 2018, 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 £34,002,851 (15 February 2017: £21,382,911).

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 2018, 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 £207,268 (15 February 2017: £114,278). 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
15/02/18	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	680,057	80,215*	599,842	—
Other assets	31,942	11,675†	—	20,267
Other liabilities	(9,397)	—†	—	(9,397)
Total	702,602	91,890	599,842	10,870

	Total	Floating	Fixed	No
15/02/17	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	427,658	27,389*	400,269	—
Other assets	23,818	4,699†	—	19,119
Other liabilities	(11,946)	—†	—	(11,946)
Total	439,530	32,088	400,269	7,173

* 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.

Currency	Fixed Rate Financial Assets			
	Weighted average		Weighted average	
	Interest rate		Period for which	
	%		Rate is fixed	
	15/02/18	15/02/17	15/02/18	15/02/17
			Years	
Sterling	1.96	1.60	5.11	4.05

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 2017: same).

Forward currency contracts were not utilised during the current and 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:

15/02/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	4,565,326	—
Level 2 - Observable Market Data	675,491,699	—
Level 3 - Unobservable Data	—	—
Total	680,057,025	—

15/02/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	640,256	—
Level 2 - Observable Market Data	427,017,962	—
Level 3 - Unobservable Data	—	—
Total	427,658,218	—

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 2017: same).

Total purchases for the year: £515,099,930
(15 February 2017: £362,553,006)

Total sales for the year: £241,621,892
(15 February 2017: £184,438,269)

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 43. 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 37 to 41. The distributions per unit class are given in the distribution tables on pages 34 and 35. All classes have the same rights on winding up.

I-Class	Distribution	Accumulation
Opening Units	133,815,312	190,077,925
Units issued	127,399,858	306,651,391
Units cancelled	(45,243,984)	(30,833,494)
Units converted	(13,300,526)	(3,417,089)
Closing Units	202,670,660	462,478,733

C-Class	Distribution	Accumulation
Opening Units	70,067,497	329,999,671
Units issued	29,528,067	181,662,563
Units cancelled	(26,646,720)	(124,844,363)
Units converted	13,279,237	3,412,005
Closing Units	86,228,081	390,229,876

L-Class	Distribution
Opening Units	104,453,181
Units issued	72,303,086
Units cancelled	(946,446)
Units converted	—
Closing Units	175,809,821

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 3.47% (0.21% as at 15 February 2017) 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 distribution unit was 50.45p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 3 April 2018 was 50.60p. This represents an increase of 0.30% from the year end value.

Distribution Tables

Distribution Tables for the year ended 15 February 2018

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	
			16/02/17	to 15/08/17
I-Class			Distribution	Distribution
Distribution Units			15/10/17	15/10/16
	Revenue	Equalisation		
Group 1	0.5340	—	0.5340	0.5343
Group 2	0.2891	0.2449	0.5340	0.5343
I-Class			Distribution	Distribution
Accumulation Units			15/10/17	15/10/16
	Revenue	Equalisation		
Group 1	0.5683	—	0.5683	0.5548
Group 2	0.2653	0.3030	0.5683	0.5548
C-Class			Distribution	Distribution
Distribution Units			15/10/17	15/10/16
	Revenue	Equalisation		
Group 1	0.5346	—	0.5346	0.5356
Group 2	0.2468	0.2878	0.5346	0.5356
C-Class			Distribution	Distribution
Accumulation Units			15/10/17	15/10/16
	Revenue	Equalisation		
Group 1	0.5691	—	0.5691	0.5572
Group 2	0.3232	0.2459	0.5691	0.5572
L-Class			Distribution	Distribution
Distribution Units			15/10/17	15/10/16
	Revenue	Equalisation		
Group 1	0.5354	—	0.5354	0.5362
Group 2	0.1587	0.3767	0.5354	0.5362

Distribution Tables continued

Final Interest distribution in pence per unit			Period	
			16/08/17	to 15/02/18
I-Class			Distribution	Distribution
Distribution Units			15/04/18	15/04/17
	Revenue	Equalisation		
Group 1	0.5116	—	0.5116	0.6207
Group 2	0.2786	0.2330	0.5116	0.6207
I-Class			Distribution	Distribution
Accumulation Units			15/04/18	15/04/17
	Revenue	Equalisation		
Group 1	0.5501	—	0.5501	0.6529
Group 2	0.2011	0.3490	0.5501	0.6529
C-Class			Distribution	Distribution
Distribution Units			15/04/18	15/04/17
	Revenue	Equalisation		
Group 1	0.5125	—	0.5125	0.6221
Group 2	0.2300	0.2825	0.5125	0.6221
C-Class			Distribution	Distribution
Accumulation Units			15/04/18	15/04/17
	Revenue	Equalisation		
Group 1	0.5510	—	0.5510	0.6540
Group 2	0.1922	0.3588	0.5510	0.6540
L-Class			Distribution	Distribution
Distribution Units			15/04/18	15/04/17
	Revenue	Equalisation		
Group 1	0.5134	—	0.5134	0.6228
Group 2	0.3495	0.1639	0.5134	0.6228

Fund Information (unaudited)

The Comparative Tables on pages 37 to 41 give the performance of each active share 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 (unaudited) continued

Comparative Tables

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	15/02/18 (pence per unit)	15/02/17 (pence per unit)	15/02/16 (pence per unit)
Opening net asset value per unit	50.95	49.33	50.59
Return before operating charges*	0.62	2.98	0.20
Operating charges (calculated on average price)	(0.07)	(0.07)	(0.07)
Return after operating charges*	0.55	2.91	0.13
Distributions on income units [^]	(1.05)	(1.29)	(1.39)
Closing net asset value per unit	50.45	50.95	49.33
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.08%	5.90%	0.26%
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Other Information

Closing net asset value (£)	102,255,479	68,177,676	22,958,079
Closing number of units	202,670,660	133,815,312	46,541,369
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	52.03p	51.99p	51.07p
Lowest unit price	50.97p	49.37p	49.65p

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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 (unaudited) continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	15/02/18 (pence per unit)	15/02/17 (pence per unit)	15/02/16 (pence per unit)
Opening net asset value per unit	54.23	51.33	51.49
Return before operating charges*	0.66	3.11	0.19
Operating charges (calculated on average price)	(0.08)	(0.07)	(0.07)
Return after operating charges*	0.58	3.04	0.12
Distributions [^]	(1.12)	(1.35)	(1.41)
Retained distributions on accumulation units [^]	1.12	1.21	1.13
Closing net asset value per unit	54.81	54.23	51.33
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.07%	5.92%	0.23%
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Other Information

Closing net asset value (£)	253,475,294	103,070,462	44,724,156
Closing number of units	462,478,733	190,077,925	87,122,745
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	55.52p	54.41p	51.98p
Lowest unit price	54.25p	51.38p	51.09p

[^] 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 will be paid on a gross basis.

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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 (unaudited) continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	15/02/18 (pence per unit)	15/02/17 (pence per unit)	15/02/16 (pence per unit)
Opening net asset value per unit	51.02	49.38	50.60
Return before operating charges*	0.63	2.98	0.22
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.05)
Return after operating charges*	0.58	2.93	0.17
Distributions on income units [^]	(1.05)	(1.29)	(1.39)
Closing net asset value per unit	50.55	51.02	49.38
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.14%	5.93%	0.34%
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Other Information

Closing net asset value (£)	43,588,751	35,749,130	11,025,291
Closing number of units	86,228,081	70,067,497	22,329,342
Operating charges [†]	0.09%	0.09%	0.09%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	52.11p	52.05p	51.10p
Lowest unit price	51.05p	49.41p	49.69p

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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 (unaudited) continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	15/02/18 (pence per unit)	15/02/17 (pence per unit)	15/02/16 (pence per unit)
Opening net asset value per unit	54.29	51.37	51.50
Return before operating charges*	0.66	3.11	0.20
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.05)
Return after operating charges*	0.61	3.06	0.15
Distributions [^]	(1.12)	(1.35)	(1.41)
Retained distributions on accumulation units [^]	1.12	1.21	1.13
Closing net asset value per unit	54.90	54.29	51.37
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.12%	5.96%	0.29%
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Other Information

Closing net asset value (£)	214,244,212	179,161,936	137,908,448
Closing number of units	390,229,876	329,999,671	268,461,621
Operating charges [†]	0.09%	0.09%	0.09%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	55.61p	54.48p	52.00p
Lowest unit price	54.31p	51.41p	51.12p

[^] 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 will be paid on a gross basis.

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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 (unaudited) continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	15/02/18 (pence per unit)	15/02/17 (pence per unit)	15/02/16 (pence per unit)
Opening net asset value per unit	51.10	49.43	50.64
Return before operating charges*	0.62	2.99	0.21
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.03)
Return after operating charges*	0.59	2.96	0.18
Distributions on income units [^]	(1.05)	(1.29)	(1.39)
Closing net asset value per unit	50.64	51.10	49.43
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.15%	5.98%	0.36%
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Other Information

Closing net asset value (£)	89,038,588	53,370,474	30,921,012
Closing number of units	175,809,821	104,453,181	62,559,528
Operating charges [†]	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	52.20p	52.11p	51.13p
Lowest unit price	51.12p	49.47p	49.73p

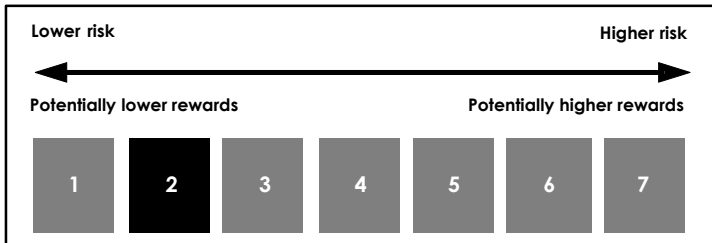
[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Fund's unit price has moved up and down in the past. If the Fund has less than five years' track record, the number also reflects the rate at which the Index the Fund tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- This 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.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

General Information

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:	I-Class Nil C-Class* Nil L-Class** Nil

* C-Class units are only available to distributors who actively market and distribute such units (or whom the Manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

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

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/daily-fund-prices 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. 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.

General Information continued

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

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

Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.01%, whilst over the last three years to the end of February 2018, the annualised Tracking Error of the Fund is 0.02%. 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 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 2016. At the time of publishing, figures for 31 December 2017 were unavailable. We shall publish this data in the Fund's interim report, due to be published in September 2018:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	89

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	6,889	7,931	2

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Equities Investment team, which consists of 22 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 net assets managed by the Index Team.

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

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Morrissey (appointed 5 July 2017)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services Limited
Trustee and 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

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

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

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

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(Unit Trust Managers) Limited
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