

Legal & General
Global Inflation Linked Bond Index Fund
Annual Manager's Report
for the year ended
5 June 2017

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

Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to achieve income and capital growth in line with the performance of the Barclays World Government Ex UK Inflation Linked Bonds TR Hedged GBP Index (the "Index") (after adjustment for management charges and taxation).

The Fund will invest predominantly in securities that are included in the Index.

The Fund will be passively managed and employs a sampling strategy whereby such securities will be held with weightings generally proportionate to the weightings in the Index. The bonds the Fund invests in will be composed primarily of securities issued by sovereign entities excluding the UK which are denominated in the currency of the issuer and which are inflation linked. Sub-investment grade bonds may be held. The Fund may also invest in other transferable securities, fixed interest securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

The Fund will use forward foreign exchange or currency future derivatives in order to manage the currency exposure in line with the Index. This may mean that, at times, the Fund may use derivatives for investment purposes. The Fund may also hold other types of derivatives for efficient portfolio management purposes only.

Manager's Investment Report

During the year under review, the bid price of the Fund's F-Class accumulation units rose by 0.60%. Barclays, 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 3pm. Therefore, for tracking purposes the Fund has been revalued using closing prices, and adjusted for the effects of charges and taxation. On this basis, over the review year, the Fund rose by 1.12%, compared with the benchmark Index rise of 1.09% (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.

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

Market/Economic Review

Global economic activity has improved markedly over the review year. The recovery has been particularly strong in the manufacturing sector, accompanied by an upturn in global trade volumes. A stabilisation and subsequent increase in commodity prices has been reflected in rising consumer price inflation in the major developed economies. While the recovery has been broad-based, it has been most noticeable in the US where growth accelerated during the second half of 2016 led by consumer demand. There has also been an upturn in investment spending and inventory levels, as Donald Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts. The Federal Reserve has signalled a gradual tightening of monetary policy, raising interest rates in December 2016 and March 2017 and signalling two further rate hikes in 2017. However, monetary policy remained accommodating in all the major economies. After the UK unexpectedly voted to leave the European Union (EU) in the June 2016 referendum, the Bank of England cut interest rates to 0.25% and extended its asset purchase programme, known as quantitative easing (QE). Encouragingly, so far the UK economy has weathered the post-referendum volatility well. Both the European Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates. In recent months,

Manager's Investment Report continued

European economic indicators have highlighted an improvement in both manufacturing and service sector activity, while in Japan the economy expanded for four straight quarters in 2016. The Chinese authorities have adopted a range of policy initiatives to boost credit growth and domestic demand as the economy continued its transition from export and investment-driven growth towards consumption.

Over the review year, higher-rated government bonds such as US Treasuries, UK gilts and German bunds were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide. However, since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted looser fiscal policy. In the UK, the sharp post-referendum devaluation of Sterling raised expectations that inflation will accelerate over the coming year and consequently index-linked gilts easily outperformed their conventional counterparts. The Bank of England's decision to add high-quality corporate bonds to its QE programme in August provided a much-needed boost for Sterling-denominated bonds and sparked a wave of new issuance.

Fund Review

The US had 12 monthly auctions over the year under review, totalling \$135 billion of new issuance. New 10-year bonds were launched in July 2016 and January 2017 and both were subsequently re-opened another two times. There were three 30-year bond auctions with a new benchmark bond launched in February 2017. Similarly, the 5-year sector saw issuance three times with a new benchmark bond issued in April 2017. Three bonds, July 2017, January 2018 and April 2018 all left the Index after their remaining life to maturity fell below one year. For the remaining countries within the Index, six bonds left the Index; three from Japan and one each from France, Italy and Germany. Seven bonds joined the Index; one each from France, Japan, Italy, Sweden, Spain, New Zealand and Canada.

The Fund experienced strong 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.

Outlook

Global growth remains above trend however, structural problems mean that rates are unlikely to fully normalise. The Fed raised rates by 0.25% in June and announced details around its plans for the orderly balance sheet reduction of its treasury and mortgage holdings, which could begin after another rate hike later this year. The prospect of President Trump being unable to deliver tax cuts has gained more ground, if delivered late cycle, the tax cuts could add to overheating pressure next year. Brexit negotiations have started and the success or otherwise of these will remain a major focus for the UK and Europe for some time; furthermore the political landscape is still uncertain despite the conclusive result for Macron in the French presidential election; markets will want to see a successful conclusion to the German federal elections in September.

Legal & General Investment Management Limited
(Investment Adviser)
27 June 2017

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
25 July 2017

Statement of Responsibilities

Statement of 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 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 Global Inflation Linked 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 Global Inflation Linked Bond Index Fund ("the Fund") for the year ended 5 June 2017

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
25 July 2017

Portfolio Statement

Portfolio Statement as at 5 June 2017

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 June 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	NORTH AMERICA — 64.36% (64.46%)		
	United States — 61.56% (61.44%)		
USD5,917,000	US Treasury Index Linked Bond 1.375% 15/07/2018	5,290,781	0.55
USD3,950,000	US Treasury Index Linked Bond 1.375% 15/07/2018	3,531,957	0.37
USD8,535,000	US Treasury Index Linked Bond 2.125% 15/01/2019	7,798,149	0.81
USD29,450,000	US Treasury Index Linked Bond 0.125% 15/04/2019	23,848,810	2.49
USD5,315,000	US Treasury Index Linked Bond 1.875% 15/07/2019	4,933,604	0.51
USD3,370,000	US Treasury Index Linked Bond 1.875% 15/07/2019	3,128,174	0.33
USD11,390,000	US Treasury Index Linked Bond 1.375% 15/01/2020	10,376,440	1.08
USD34,240,000	US Treasury Index Linked Bond 0.125% 15/04/2020	27,819,709	2.90
USD19,932,000	US Treasury Index Linked Bond 1.25% 15/07/2020	18,106,231	1.89
USD5,985,000	US Treasury Index Linked Bond 1.125% 15/01/2021	5,407,298	0.56
USD16,691,900	US Treasury Index Linked Bond 1.125% 15/01/2021	15,080,714	1.57
USD27,490,000	US Treasury Index Linked Bond 0.125% 15/04/2021	22,053,468	2.30
USD21,990,000	US Treasury Index Linked Bond 0.625% 15/07/2021	19,041,288	1.99
USD25,980,000	US Treasury Index Linked Bond 0.125% 15/01/2022	21,823,198	2.28
USD10,000,000	US Treasury Index Linked Bond 0.125% 15/04/2022	7,798,292	0.81
USD25,220,000	US Treasury Index Linked Bond 0.125% 15/07/2022	20,887,792	2.18
USD24,370,000	US Treasury Index Linked Bond 0.125% 15/01/2023	19,954,615	2.08
USD28,780,700	US Treasury Index Linked Bond 0.375% 15/07/2023	23,765,988	2.48
USD24,190,000	US Treasury Index Linked Bond 0.625% 15/01/2024	20,092,332	2.10
USD25,699,900	US Treasury Index Linked Bond 0.125% 15/07/2024	20,320,944	2.12
USD24,298,000	US Treasury Index Linked Bond 0.25% 15/01/2025	19,266,572	2.01
USD17,970,000	US Treasury Index Linked Bond 2.375% 15/01/2025	20,775,856	2.17
USD24,700,000	US Treasury Index Linked Bond 0.375% 15/07/2025	19,793,126	2.07
USD26,160,000	US Treasury Index Linked Bond 0.625% 15/01/2026	21,241,520	2.22
USD12,520,000	US Treasury Index Linked Bond 2% 15/01/2026	13,542,416	1.41

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	United States — (cont.)		
USD23,180,000	US Treasury Index Linked Bond 0.125% 15/07/2026	17,893,901	1.87
USD22,850,000	US Treasury Index Linked Bond 0.375% 15/01/2027	17,835,184	1.86
USD500,000	US Treasury Index Linked Bond 2.375% 15/01/2027	554,462	0.06
USD9,645,000	US Treasury Index Linked Bond 2.375% 15/01/2027	10,695,575	1.12
USD10,230,000	US Treasury Index Linked Bond 1.75% 15/01/2028	10,460,372	1.09
USD10,510,000	US Treasury Index Linked Bond 3.625% 15/04/2028	16,323,303	1.70
USD6,110,000	US Treasury Index Linked Bond 2.5% 15/01/2029	6,586,452	0.69
USD2,300,000	US Treasury Index Linked Bond 2.5% 15/01/2029	2,479,352	0.26
USD12,254,800	US Treasury Index Linked Bond 3.875% 15/04/2029	19,479,570	2.03
USD2,946,700	US Treasury Index Linked Bond 3.375% 15/04/2032	4,411,450	0.46
USD8,845,000	US Treasury Index Linked Bond 2.125% 15/02/2040	9,773,312	1.02
USD15,607,500	US Treasury Index Linked Bond 2.125% 15/02/2041	17,117,544	1.79
USD13,980,000	US Treasury Index Linked Bond 0.75% 15/02/2042	11,314,149	1.18
USD14,280,000	US Treasury Index Linked Bond 0.625% 15/02/2043	10,991,329	1.15
USD14,145,000	US Treasury Index Linked Bond 1.375% 15/02/2044	12,686,491	1.32
USD13,560,700	US Treasury Index Linked Bond 0.75% 15/02/2045	10,405,440	1.09
USD14,220,000	US Treasury Index Linked Bond 1% 15/02/2046	11,550,629	1.20
USD4,800,000	US Treasury Index Linked Bond 0.875% 15/02/2047	3,717,218	0.39
		589,955,007	61.56
	Canada — 2.80% (3.02%)		
CAD3,008,000	Canadian Government Index Linked Bond 4.25% 01/12/2021	3,260,727	0.34
CAD3,306,000	Canadian Government Index Linked Bond 4.25% 01/12/2026	3,951,432	0.41
CAD3,519,000	Canadian Government Index Linked Bond 4% 01/12/2031	4,400,003	0.46
CAD4,115,000	Canadian Government Index Linked Bond 3% 01/12/2036	4,428,337	0.46
CAD4,096,000	Canadian Government Index Linked Bond 2% 01/12/2041	3,718,786	0.39
CAD4,672,000	Canadian Government Index Linked Bond 1.5% 01/12/2044	3,806,153	0.40
CAD4,472,000	Canadian Government Index Linked Bond 1.25% 01/12/2047	3,313,865	0.34
		26,879,303	2.80

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	CONTINENTAL EUROPE		
	— 29.06% (30.74%)		
	Denmark — 0.31% (0.33%)		
DKK22,685,000	Denmark Government Index Linked Bond 0.1% 15/11/2023	2,991,045	0.31
	France — 12.77% (13.50%)		
EUR6,295,000	France Government Index Linked Bond 0.25% 25/07/2018	5,893,773	0.62
EUR6,875,000	France Government Index Linked Bond 1.3% 25/07/2019	6,819,311	0.71
EUR12,550,000	France Government Index Linked Bond 2.25% 25/07/2020	15,146,189	1.58
EUR2,340,000	France Government Index Linked Bond 0.1% 01/03/2021	2,178,426	0.23
EUR5,105,000	France Government Index Linked Bond 0.1% 25/07/2021	4,802,956	0.50
EUR10,960,000	France Government Index Linked Bond 1.1% 25/07/2022	11,806,855	1.23
EUR9,988,000	France Government Index Linked Bond 2.1% 25/07/2023	11,602,337	1.21
EUR8,305,000	France Government Index Linked Bond 0.25% 25/07/2024	8,117,213	0.85
EUR4,170,000	France Government Index Linked Bond 0.1% 01/03/2025	3,922,855	0.41
EUR200,000	France Government Index Linked Bond 0.1% 01/03/2025	188,146	0.02
EUR8,542,000	France Government Index Linked Bond 1.85% 25/07/2027	10,097,514	1.05
EUR1,525,000	France Government Index Linked Bond 0.1% 01/03/2028	1,412,519	0.15
EUR6,045,000	France Government Index Linked Bond 3.4% 25/07/2029	9,896,498	1.03
EUR6,130,000	France Government Index Linked Bond 0.7% 25/07/2030	6,188,709	0.65
EUR6,170,000	France Government Index Linked Bond 3.15% 25/07/2032	10,325,907	1.08
EUR7,815,000	France Government Index Linked Bond 1.8% 25/07/2040	11,254,876	1.17
EUR3,080,000	France Government Index Linked Bond 0.1% 25/07/2047	2,693,772	0.28
		122,347,856	12.77
	Germany — 3.73% (4.45%)		
EUR9,385,568	Germany (Federal Republic) Index Linked Bond 1.75% 15/04/2020	9,888,892	1.03
EUR9,983,939	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2023	9,850,222	1.03
EUR7,005,000	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2026	6,845,305	0.72
EUR5,066,855	Germany (Federal Republic) Index Linked Bond 0.5% 15/04/2030	5,210,757	0.54
EUR3,920,000	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2046	3,954,787	0.41
		35,749,963	3.73

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Italy — 8.63% (9.52%)		
EUR6,240,000	Italy Government Index Linked Bond 1.7% 15/09/2018	5,746,939	0.60
EUR11,190,000	Italy Government Index Linked Bond 2.35% 15/09/2019	11,677,819	1.22
EUR10,680,000	Italy Government Index Linked Bond 2.1% 15/09/2021	11,158,459	1.17
EUR3,230,000	Italy Government Index Linked Bond 0.1% 15/05/2022	2,856,090	0.30
EUR12,095,000	Italy Government Index Linked Bond 2.6% 15/09/2023	13,810,684	1.44
EUR7,655,000	Italy Government Index Linked Bond 2.35% 15/09/2024	7,513,814	0.78
EUR7,270,000	Italy Government Index Linked Bond 3.1% 15/09/2026	7,969,939	0.83
EUR2,350,000	Italy Government Index Linked Bond 1.3% 15/05/2028	2,049,031	0.21
EUR6,670,000	Italy Government Index Linked Bond 1.25% 15/09/2032	5,649,880	0.59
EUR7,720,000	Italy Government Index Linked Bond 2.35% 15/09/2035	9,094,552	0.95
EUR4,820,000	Italy Government Index Linked Bond 2.55% 15/09/2041	5,130,194	0.54
		82,657,401	8.63
	Spain — 2.25% (1.55%)		
EUR6,165,000	Spain Government Index Linked Bond 0.55% 30/11/2019	5,658,499	0.59
EUR2,325,000	Spain Government Index Linked Bond 0.3% 30/11/2021	2,153,472	0.22
EUR8,065,000	Spain Government Index Linked Bond 1.8% 30/11/2024	8,034,682	0.84
EUR3,101,000	Spain Government Index Linked Bond 0.65% 30/11/2027	2,739,925	0.29
EUR3,345,000	Spain Government Index Linked Bond 1% 30/11/2030	3,008,829	0.31
		21,595,407	2.25
	Sweden — 1.37% (1.39%)		
SEK12,700,000	Swedish Government Index Linked Bond 0.125% 01/06/2019	1,211,205	0.13
SEK22,870,000	Swedish Government Index Linked Bond 4% 01/12/2020	3,261,371	0.34
SEK20,760,000	Swedish Government Index Linked Bond 0.25% 01/06/2022	2,121,727	0.22
SEK14,775,000	Swedish Government Index Linked Bond 1% 01/06/2025	1,633,213	0.17
SEK11,100,000	Swedish Government Index Linked Bond 0.125% 01/06/2026	1,161,831	0.12
SEK2,000,000	Swedish Government Index Linked Bond 0.125% 01/12/2027	206,812	0.02
SEK17,010,000	Swedish Government Index Linked Bond 3.5% 01/12/2028	2,986,490	0.31
SEK5,200,000	Swedish Government Index Linked Bond 0.125% 01/06/2032	540,519	0.06
		13,123,168	1.37

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	ASIA — 3.42% (3.37%)		
	Japan — 3.42% (3.37%)		
JPY76,000,000	Japanese Government Index Linked Bond 1.2% 10/06/2017	549,123	0.06
JPY52,000,000	Japanese Government Index Linked Bond 1.3% 10/09/2017	388,502	0.04
JPY103,000,000	Japanese Government Index Linked Bond 1.2% 10/12/2017	768,923	0.08
JPY51,000,000	Japanese Government Index Linked Bond 1.4% 10/03/2018	384,047	0.04
JPY138,000,000	Japanese Government Index Linked Bond 1.4% 10/06/2018	1,039,998	0.11
JPY120,000,000	Japanese Government Index Linked Bond 0.1% 10/09/2023	901,987	0.09
JPY416,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2024	3,112,100	0.32
JPY670,500,000	Japanese Government Index Linked Bond 0.1% 10/09/2024	4,900,533	0.51
JPY1,265,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2025	9,280,678	0.97
JPY1,073,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2026	7,879,582	0.82
JPY487,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2027	3,599,871	0.38
		32,805,344	3.42
	PACIFIC BASIN — 2.32% (2.12%)		
	Australia — 1.68% (1.58%)		
AUD2,775,000	Australia Government Index Linked Bond 1% 21/11/2018	1,728,195	0.18
AUD3,210,000	Australia Government Index Linked Bond 4% 20/08/2020	3,473,600	0.36
AUD3,375,000	Australia Government Index Linked Bond 1.25% 21/02/2022	2,250,006	0.24
AUD5,025,000	Australia Government Index Linked Bond 3% 20/09/2025	4,144,620	0.43
AUD2,600,000	Australia Government Index Linked Bond 2.5% 20/09/2030	2,134,484	0.22
AUD1,990,000	Australia Government Index Linked Bond 2% 21/08/2035	1,459,331	0.15
AUD1,410,000	Australia Government Index Linked Bond 1.25% 21/08/2040	889,955	0.10
		16,080,191	1.68
	New Zealand — 0.64% (0.54%)		
NZD3,535,000	New Zealand Government Index Linked Bond 2% 20/09/2025	2,123,200	0.22
NZD2,505,000	New Zealand Government Index Linked Bond 3% 20/09/2030	1,660,983	0.17
NZD2,740,000	New Zealand Government Index Linked Bond 2.5% 20/09/2035	1,691,407	0.18
NZD1,100,000	New Zealand Government Index Linked Bond 2.5% 20/09/2040	656,427	0.07
		6,132,017	0.64

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
FORWARD CURRENCY CONTRACTS			
— 0.61% (-1.19%)			
GBP(46,301)	Sold Sterling		
AUD81,000	for Australian Dollar (Expires 07/06/2017) ¹	466	—
GBP(10,779)	Sold Sterling		
DKK92,000	for Danish Krone (Expires 07/06/2017) ¹	(14)	—
GBP(1,015,214)	Sold Sterling		
EUR1,165,000	for Euro (Expires 07/06/2017) ¹	(1,172)	—
SEK(138,000)	Sold Swedish Krona		
GBP12,311	for Sterling (Expires 07/06/2017) ¹	(51)	—
USD(769,000)	Sold US Dollars		
GBP597,128	for Sterling (Expires 07/06/2017) ¹	3,043	—
CAD(47,000)	Sold Canadian Dollar		
GBP27,000	for Sterling (Expires 07/06/2017) ¹	78	—
EUR(305,000)	Sold Euro		
GBP267,294	for Sterling (Expires 07/06/2017) ¹	1,815	—
AUD(26,000)	Sold Australian Dollar		
GBP15,012	for Sterling (Expires 07/06/2017) ¹	(121)	—
SEK(149,000)	Sold Swedish Krona		
GBP13,415	for Sterling (Expires 07/06/2017) ¹	111	—
CAD(23,452,000)	Sold Canadian Dollar		
GBP13,561,706	for Sterling (Expires 07/06/2017) ¹	128,643	0.01
JPY(2,349,300,000)	Sold Japanese Yen		
GBP16,507,800	for Sterling (Expires 07/06/2017) ¹	70,279	0.01
NZD(10,961,000)	Sold New Zealand Dollar		
GBP6,055,035	for Sterling (Expires 07/06/2017) ¹	12,848	—
USD(152,700,000)	Sold US Dollars		
GBP118,802,453	for Sterling (Expires 07/06/2017) ¹	835,254	0.09
JPY(4,293,000)	Sold Japanese Yen		
GBP29,929	for Sterling (Expires 07/06/2017) ¹	(108)	—
JPY(4,725,000)	Sold Japanese Yen		
GBP33,239	for Sterling (Expires 07/06/2017) ¹	179	—
NZD(10,000)	Sold New Zealand Dollar		
GBP5,474	for Sterling (Expires 07/06/2017) ¹	(39)	—
EUR(279,000)	Sold Euro		
GBP243,136	for Sterling (Expires 07/06/2017) ¹	288	—
SEK(136,000)	Sold Swedish Krona		
GBP12,148	for Sterling (Expires 07/06/2017) ¹	4	—
USD(701,000)	Sold US Dollars		
GBP543,463	for Sterling (Expires 07/06/2017) ¹	1,911	—
DKK(24,000)	Sold Danish Krone		
GBP2,812	for Sterling (Expires 07/06/2017) ¹	4	—
NZD(11,000)	Sold New Zealand Dollar		
GBP6,092	for Sterling (Expires 07/06/2017) ¹	29	—
DKK(26,000)	Sold Danish Krone		
GBP3,063	for Sterling (Expires 07/06/2017) ¹	21	—
AUD(28,000)	Sold Australian Dollar		
GBP16,148	for Sterling (Expires 07/06/2017) ¹	(18)	—
CAD(43,000)	Sold Canadian Dollar		
GBP24,719	for Sterling (Expires 07/06/2017) ¹	89	—
AUD(25,000)	Sold Australian Dollar		
GBP14,294	for Sterling (Expires 07/06/2017) ¹	(140)	—
JPY(2,349,200,000)	Sold Japanese Yen		
GBP16,506,234	for Sterling (Expires 07/06/2017) ¹	69,412	0.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
FORWARD CURRENCY CONTRACTS			
— (cont.)			
EUR(60,900,000)	Sold Euro		
GBP53,240,851	for Sterling (Expires 07/06/2017) ¹	232,087	0.02
EUR(60,900,000)	Sold Euro		
GBP53,243,926	for Sterling (Expires 07/06/2017) ¹	235,162	0.02
USD(152,853,000)	Sold US Dollars		
GBP118,904,374	for Sterling (Expires 07/06/2017) ¹	818,977	0.09
USD(152,700,000)	Sold US Dollars		
GBP118,798,922	for Sterling (Expires 07/06/2017) ¹	831,724	0.09
USD(152,700,000)	Sold US Dollars		
GBP118,792,748	for Sterling (Expires 07/06/2017) ¹	825,550	0.09
DKK(24,000)	Sold Danish Krone		
GBP2,808	for Sterling (Expires 07/06/2017) ¹	(15)	—
USD(712,000)	Sold US Dollars		
GBP549,988	for Sterling (Expires 07/06/2017) ¹	(1,817)	—
CAD(44,000)	Sold Canadian Dollar		
GBP25,193	for Sterling (Expires 07/06/2017) ¹	(150)	—
JPY(4,400,000)	Sold Japanese Yen		
GBP30,781	for Sterling (Expires 07/06/2017) ¹	(408)	—
EUR(283,000)	Sold Euro		
GBP246,320	for Sterling (Expires 07/06/2017) ¹	(1,224)	—
NZD(10,000)	Sold New Zealand Dollar		
GBP5,512	for Sterling (Expires 07/06/2017) ¹	(54)	—
SEK(148,545,000)	Sold Swedish Krona		
GBP13,314,553	for Sterling (Expires 07/06/2017) ¹	50,798	0.01
AUD(13,945,000)	Sold Australian Dollar		
GBP8,081,458	for Sterling (Expires 07/06/2017) ¹	30,160	—
CAD(23,500,000)	Sold Canadian Dollar		
GBP13,587,995	for Sterling (Expires 07/06/2017) ¹	127,438	0.01
AUD(14,000,000)	Sold Australian Dollar		
GBP8,113,110	for Sterling (Expires 07/06/2017) ¹	30,057	—
DKK(25,637,000)	Sold Danish Krone		
GBP3,012,684	for Sterling (Expires 07/06/2017) ¹	12,915	—
USD(152,700,000)	Sold US Dollars		
GBP118,793,026	for Sterling (Expires 07/06/2017) ¹	825,827	0.09
CAD(210,000)	Sold Canadian Dollar		
GBP120,657	for Sterling (Expires 07/06/2017) ¹	371	—
NZD(67,000)	Sold New Zealand Dollar		
GBP36,768	for Sterling (Expires 07/06/2017) ¹	(166)	—
EUR(60,921,000)	Sold Euro		
GBP53,263,023	for Sterling (Expires 07/06/2017) ¹	235,981	0.02
EUR(60,900,000)	Sold Euro		
GBP53,248,707	for Sterling (Expires 07/06/2017) ¹	239,943	0.03
EUR(60,900,000)	Sold Euro		
GBP53,243,274	for Sterling (Expires 07/06/2017) ¹	234,511	0.02
GBP(71,838)	Sold Sterling		
JPY10,300,000	for Japanese Yen (Expires 07/06/2017) ¹	229	—
GBP(6,021)	Sold Sterling		
NZD11,000	for New Zealand Dollar (Expires 07/06/2017) ¹	43	—
GBP(30,377)	Sold Sterling		
SEK340,000	for Swedish Krona (Expires 07/06/2017) ¹	(18)	—

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
FORWARD CURRENCY CONTRACTS			
— (cont.)			
GBP(677,739)	Sold Sterling		
USD874,000	for US Dollars (Expires 07/06/2017) ¹	(2,537)	—
		5,848,195	0.61
Portfolio of investments²		956,164,897	99.77
Net other assets		2,208,929	0.23
Total net assets		£958,373,826	100.00%

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

² Including investment liabilities.

Total purchases for the year: £601,327,221.

Total sales for the year: £210,901,370.

Independent Auditors' Report

Independent Auditors' Report to the Unitholders of Legal & General Global Inflation Linked Bond Index Fund (the "Fund")

Report on the financial statements

Our opinion

In our opinion, Legal & General Global Inflation Linked Bond Index Fund's financial statements, (the "financial statements"):

- give a true and fair view of the financial position of the Fund as at 5 June 2017 and of the net revenue and the net capital losses of its scheme property for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

What we have audited

The financial statements, included within the Annual Manager's Report comprise:

- the balance sheet as at 5 June 2017;
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to unitholders for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is 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 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Authorised Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Independent Auditors' Report continued

Opinions on matters prescribed 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; and
- 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.

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Fund Manager

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 and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Independent Auditors' Report continued

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Manager's Report (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 July 2017

Notes:

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

Financial Statements

Statement of Total Return for the year ended 5 June 2017

Notes	05/06/17		05/06/16	
	£	£	£	£
Income				
Net capital (losses)/ gains	3	(7,386,046)		14,756,396
Revenue	4	14,171,271	1,662,287	
Expenses	5	(1,434,489)	(499,162)	
Interest payable and similar charges	7	(3,237)	(597)	
Net revenue before taxation		<u>12,733,545</u>	<u>1,162,528</u>	
Taxation	6	-	-	
Net revenue after taxation for the year		<u>12,733,545</u>	<u>1,162,528</u>	
Total return before distributions		5,347,499	15,918,924	
Distributions	7	(12,733,545)	(1,209,342)	
Change in net assets attributable to Unitholders from investment activities		<u>£(7,386,046)</u>	<u>£14,709,582</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 5 June 2017

	05/06/17		05/06/16	
	£	£	£	£
Opening net assets attributable to Unitholders		488,984,487		224,539,348
Amounts received on issue of units		525,636,224	283,785,335	
Amounts paid on cancellation of units		(55,467,642)	(34,436,586)	
		<u>470,168,582</u>	<u>249,348,749</u>	
Change in net assets attributable to Unitholders from investment activities		(7,386,046)	14,709,582	
Retained distribution on accumulation units		<u>6,606,803</u>	<u>386,808</u>	
Closing net assets attributable to Unitholders		<u>£958,373,826</u>	<u>£488,984,487</u>	

Financial Statements continued

Balance Sheet as at 5 June 2017

	Notes	05/06/17 £	05/06/16 £
ASSETS			
Fixed assets:			
Investments		956,172,949	492,350,033
Current assets:			
Debtors	8	7,623,165	3,627,642
Cash and bank balances	9	3,818,928	689,127
Total assets		967,615,042	496,666,802
LIABILITIES			
Investment liabilities			
		(8,052)	(5,818,811)
Creditors:			
Bank overdrafts	9	(1,053,749)	(18,475)
Distributions payable		(5,226,353)	(399,799)
Other creditors	10	(2,953,062)	(1,445,230)
Total liabilities		(9,241,216)	(7,682,315)
Net assets attributable to Unitholders		£958,373,826	£488,984,487

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. For Index Linked Gilt securities, the indexation element of revenue (which represents capital protection) forms part of distributable revenue. This will have the effect of increasing the distribution yield of the Fund during times of global inflation (or reducing the yield if there is global deflation) but will have a negative impact on the capital value of the Fund in real terms, when taking inflation into account. 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 year. All remaining revenue is distributed in accordance with the COLL.

Fund management fees are deducted from revenue 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.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 3pm on 5 June 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

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

(g) Taxation

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

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 3pm on 5 June 2017, being the last working day of the accounting year.

3. Net capital (losses)/gains

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

Non-derivative securities

Forward currency contracts

Currency losses

Transaction charges

Net capital (losses)/gains

	05/06/17	05/06/16
	£	£
Non-derivative securities	62,034,971	35,777,620
Forward currency contracts	(64,212,426)	(18,974,295)
Currency losses	(5,208,591)	(2,040,961)
Transaction charges	–	(5,968)
Net capital (losses)/gains	<u>(7,386,046)</u>	<u>14,756,396</u>

4. Revenue

Bond Interest

Bank interest

	05/06/17	05/06/16
	£	£
Bond Interest	14,170,614	1,661,691
Bank interest	<u>657</u>	<u>596</u>
	<u>14,171,271</u>	<u>1,662,287</u>

Notes to the Financial Statements continued

5. Expenses

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

Fund management fees

Total expenses:

05/06/17	05/06/16
£	£
1,434,489	499,162
<u>1,434,489</u>	<u>499,162</u>

Audit fees of £12,685 plus VAT on Audit fees of £2,537 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £12,460 plus VAT of £2,492.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	05/06/17	05/06/16
	£	£
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	12,733,545	1,162,528
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2016: 20%)	2,546,709	232,506
Effects of:		
Interest distributions deductible for tax purposes	(2,546,709)	(232,506)
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:

	05/06/17	05/06/16
	£	£
Interim distribution	3,150,914	978,647
Final distribution	10,261,151	472,503
	<u>13,412,065</u>	<u>1,451,150</u>
Add: Revenue deducted on cancellation of units	223,995	70,902
Less: Revenue received on creation of units	(1,560,030)	(554,453)
Income tax withheld	657,515	241,743
Distributions for the year	12,733,545	1,209,342
Interest payable and similar charges		
Bank overdraft interest	3,237	597
	<u>12,736,782</u>	<u>1,209,939</u>

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

	05/06/17	05/06/16
	£	£
Net revenue after taxation for the year	12,733,545	1,162,528
Add: Expenses charged to capital	–	44,994
Equalisation uplift on units conversions	–	1,603
Revenue shortfall	–	217
Distributions for the year	12,733,545	1,209,342

8. Debtors

	05/06/17	05/06/16
	£	£
Accrued revenue	3,700,604	2,022,693
Amounts receivable for creation of units	3,367,984	1,521,962
Receivable for foreign exchange contracts	–	749
Sales awaiting settlement	554,577	82,238
	<u>7,623,165</u>	<u>3,627,642</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	05/06/17	05/06/16
	£	£
Cash and bank balances	3,818,928	689,127
Bank overdrafts	(1,053,749)	(18,475)
Net uninvested cash	<u>2,765,179</u>	<u>670,652</u>

10. Other creditors

	05/06/17	05/06/16
	£	£
Accrued expenses	175,493	69,409
Amounts payable for cancellation of units	83,066	699,998
Payable for foreign exchange contracts	4,338	–
Purchases awaiting settlement	<u>2,690,165</u>	<u>675,823</u>
	<u>2,953,062</u>	<u>1,445,230</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (5 June 2016: 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 5 June 2017, 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 £47,808,245 (5 June 2016: £24,326,561).

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 5 June 2017, 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 £808,868. 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
05/06/17	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	956,165	950,317*	–	5,848
Other assets	11,442	3,819	–	7,623
Other liabilities	(9,233)	(1,054)†	–	(8,179)
Total	958,374	953,082	–	5,292

	Total	Floating	Fixed	No
05/06/16	£'000	rate	rate	interest
	£'000	£'000	£'000	£'000
Portfolio	486,531	492,349*	–	(5,818)
Other assets	4,317	689	–	3,628
Other liabilities	(1,864)	(18)†	–	(1,846)
Total	488,984	493,020	–	(4,036)

* The Fund's floating rate investments earn interest which is variable, based on the changes of inflation within each country.

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

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 5 June 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £8,760 (5 June 2016: £22,291).

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

05/06/17 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Australian Dollar	(16,079)	16,080	1
Canadian Dollar	(27,637)	26,879	(758)
Danish Krone	(2,994)	2,991	(3)
Euro	(262,223)	262,351	128
Japanese Yen	(32,864)	32,805	(59)
New Zealand Dollar	(6,057)	6,132	75
Swedish Krona	(13,155)	13,123	(32)
US Dollar	(587,249)	589,955	2,706

05/06/16 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Australian Dollar	(7,675)	7,736	61
Canadian Dollar	(14,651)	14,775	124
Danish Krone	(1,577)	1,623	46
Euro	(142,205)	141,898	(307)
Japanese Yen	(16,423)	16,452	29
New Zealand Dollar	(2,632)	2,638	6
Swedish Krona	(6,810)	6,808	(2)
US Dollar	(298,148)	300,420	2,272

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(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 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.

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

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

(f) Derivative Risk - Sensitivity Analysis

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

At the balance sheet date, no derivatives were held that could impact the Fund in a significant way (5 June 2016: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(g) Fair Value

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

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the 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:

05/06/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	890,394,874	—
Level 2 - Observable Market Data	65,778,075	(8,052)
Level 3 - Unobservable Data	—	—
Total	956,172,949	(8,052)

05/06/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	465,961,680	—
Level 2 - Observable Market Data	26,388,353	(5,818,811)
Level 3 - Unobservable Data	—	—
Total	492,350,033	(5,818,811)

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

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

13. Portfolio transaction costs

As the Fund mainly invests in assets that are not subject to commissions or taxes, there are no transaction costs (5 June 2016: same).

Total purchases for the year: £601,327,221.
(5 June 2016: £321,472,648)

Total sales for the year: £210,901,370.
(5 June 2016: £86,785,426)

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 46. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 37 to 43. The distribution per unit class is given in the distribution tables on pages 34 and 35. All classes have the same rights on winding up.

F-Class	Distribution	Accumulation
Opening Units	326,321	522,702
Units issued	–	40,821
Units cancelled	(38,074)	(149,035)
Units converted	–	–
Closing Units	288,247	414,488

I-Class	Distribution	Accumulation
Opening Units	55,660,829	179,233,726
Units issued	106,873,617	553,688,371
Units cancelled	(13,768,747)	(8,698,481)
Units converted	(65,000)	9,773
Closing Units	148,700,699	724,233,389

C-Class	Distribution	Accumulation
Opening Units	88,490,799	166,220,004
Units issued	104,105,946	70,410,133
Units cancelled	(19,566,745)	(60,911,567)
Units converted	64,952	(9,747)
Closing Units	173,094,952	175,708,823

L-Class	Distribution
Opening Units	429,303,995
Units issued	145,701,470
Units cancelled	(648,629)
Units converted	–
Closing Units	574,356,836

Notes to the Financial Statements continued

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 11.37% (20.02% as at 5 June 2016) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class distribution unit was 52.52p. The Net Asset Value per I-Class distribution unit for the Fund as at 3pm on 24 July 2017 was 52.24p. This represents a decrease of 0.53% from the year end value.

Distribution Tables

Distribution Tables for the year ended 5 June 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim Interest distribution in pence per unit					Period	
					06/06/16	to 05/12/16
F-Class	Gross	Income			Distribution	Distribution
Distribution Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2093	0.0419	0.1674	–	0.1674	0.0740
Group 2	–	–	–	0.1674	0.1674	0.0740
F-Class	Gross	Income			Distribution	Distribution
Accumulation Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2116	0.0423	0.1693	–	0.1693	0.0741
Group 2	0.1051	0.0210	0.0841	0.0852	0.1693	0.0741
I-Class	Gross	Income			Distribution	Distribution
Distribution Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2476	0.0495	0.1981	–	0.1981	0.1216
Group 2	0.1320	0.0264	0.1056	0.0925	0.1981	0.1216
I-Class	Gross	Income			Distribution	Distribution
Accumulation Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2515	0.0503	0.2012	–	0.2012	0.1230
Group 2	0.1608	0.0322	0.1286	0.0726	0.2012	0.1230
C-Class	Gross	Income			Distribution	Distribution
Distribution Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2634	0.0527	0.2107	–	0.2107	0.1408
Group 2	0.0939	0.0188	0.0751	0.1356	0.2107	0.1408
C-Class	Gross	Income			Distribution	Distribution
Accumulation Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2678	0.0536	0.2142	–	0.2142	0.1425
Group 2	0.0801	0.0160	0.0641	0.1501	0.2142	0.1425
L-Class	Gross	Income			Distribution	Distribution
Distribution Units	Revenue	Tax	Revenue	Equalisation	05/02/17	29/01/16[†]
Group 1	0.2795	0.0559	0.2236	–	0.2236	0.1617
Group 2	0.1409	0.0282	0.1127	0.1109	0.2236	0.1617

Distribution Tables continued

Final Interest distribution in pence per unit					Period	
					06/12/16	to 05/06/17
F-Class	Gross	Income				
Distribution Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.4789	–	0.4789	–	0.4789	–
Group 2	–	–	–	0.4789	0.4789	–
F-Class	Gross	Income				
Accumulation Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.4858	–	0.4858	–	0.4858	–
Group 2	0.1725	–	0.1725	0.3133	0.4858	–
I-Class	Gross	Income				
Distribution Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.5427	–	0.5427	–	0.5427	0.0254
Group 2	0.2823	–	0.2823	0.2604	0.5427	0.0254
I-Class	Gross	Income				
Accumulation Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.5536	–	0.5536	–	0.5536	0.0258
Group 2	0.2798	–	0.2798	0.2738	0.5536	0.0258
C-Class	Gross	Income				
Distribution Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.5704	–	0.5704	–	0.5704	0.0467
Group 2	0.2614	–	0.2614	0.3090	0.5704	0.0467
C-Class	Gross	Income				
Accumulation Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.5820	–	0.5820	–	0.5820	0.0475
Group 2	0.2630	–	0.2630	0.3190	0.5820	0.0475
L-Class	Gross	Income				
Distribution Units	Revenue	Tax*	Revenue	Equalisation	Distribution	Distribution
					05/08/17	05/08/16
Group 1	0.5972	–	0.5972	–	0.5972	0.0679
Group 2	0.3252	–	0.3252	0.2720	0.5972	0.0679

In the above tables, a distribution pay rate of – denotes that the Fund/Classes were in a shortfall position, and therefore no distribution payment was made.

† To accommodate the transition of Trustee, the Fund's period end date, normally 5 December, was moved to 30 November 2015. As such, the pay date was also moved from 5 February to 29 January 2016.

* See Significant Changes on page 49.

Fund Information

The Comparative Tables on pages 37 to 43 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 continued

Comparative Tables

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	52.74	51.01	51.30
Return before operating charges*	0.63	2.08	0.19
Operating charges (calculated on average price)	(0.27)	(0.26)	(0.27)
Return after operating charges*	0.36	1.82	(0.08)
Distributions on income units [^]	(0.69)	(0.09)	(0.21)
Closing net asset value per unit	52.41	52.74	51.01
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.68%	3.57%	(0.16)%
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Other Information

Closing net asset value (£)	151,068	172,104	20,657
Closing number of units	288,247	326,321	40,498
Operating charges [†]	0.51%	0.51%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	54.17p	52.84p	53.39p
Lowest unit price	51.59p	50.52p	51.01p

[^] 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.

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

Fund Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	53.33	51.51	51.63
Return before operating charges*	0.63	2.10	0.19
Operating charges (calculated on average price)	(0.27)	(0.26)	(0.27)
Return after operating charges*	0.36	1.84	(0.08)
Distributions [^]	(0.70)	(0.09)	(0.21)
Retained distributions on accumulation units [^]	0.66	0.07	0.17
Closing net asset value per unit	53.65	53.33	51.51
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.68%	3.57%	(0.15)%
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Other Information

Closing net asset value (£)	222,384	278,777	269,207
Closing number of units	414,488	522,702	522,645
Operating charges [†]	0.51%	0.51%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	54.78p	53.43p	53.92p
Lowest unit price	52.41p	51.09p	51.51p

[^] 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 – See Significant Changes on page 49.

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

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Fund Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	52.83	51.06	51.31
Return before operating charges*	0.62	2.09	0.16
Operating charges (calculated on average price)	(0.14)	(0.14)	(0.14)
Return after operating charges*	0.48	1.95	0.02
Distributions on income units [^]	(0.79)	(0.18)	(0.27)
Closing net asset value per unit	52.52	52.83	51.06
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.91%	3.82%	0.04%
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Other Information

Closing net asset value (£)	78,096,523	29,403,388	33,252,839
Closing number of units	148,700,699	55,660,829	65,118,849
Operating charges [†]	0.27%	0.27%	0.27%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	54.29p	52.95p	53.44p
Lowest unit price	51.70p	50.58p	51.07p

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

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

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	53.62	51.68	51.70
Return before operating charges*	0.65	2.12	0.18
Operating charges (calculated on average price)	(0.15)	(0.14)	(0.14)
Return after operating charges*	0.50	1.98	0.04
Distributions [^]	(0.81)	(0.18)	(0.28)
Retained distributions on accumulation units [^]	0.76	0.14	0.22
Closing net asset value per unit	54.07	53.62	51.68
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.92%	3.83%	0.08%
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Other Information

Closing net asset value (£)	391,562,505	96,099,978	33,628,084
Closing number of units	724,233,389	179,233,726	65,067,441
Operating charges [†]	0.27%	0.27%	0.27%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	55.11p	53.71p	54.09p
Lowest unit price	52.76p	51.32p	51.66p

[^] 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 – See Significant Changes on page 49.

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

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

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

Fund Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	52.85	51.09	51.31
Return before operating charges*	0.64	2.08	0.17
Operating charges (calculated on average price)	(0.09)	(0.09)	(0.09)
Return after operating charges*	0.55	1.99	0.08
Distributions on income units [^]	(0.83)	(0.23)	(0.30)
Closing net asset value per unit	52.57	52.85	51.09
* after direct transaction costs of:	-	-	-

Performance

Return after charges	1.04%	3.90%	0.16%
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Other Information

Closing net asset value (£)	90,990,921	46,768,007	1,267,899
Closing number of units	173,094,952	88,490,799	2,481,854
Operating charges [†]	0.17%	0.17%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	54.33p	52.99p	53.46p
Lowest unit price	51.74p	50.61p	51.09p

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

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Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	53.72	51.74	51.72
Return before operating charges*	0.64	2.12	0.17
Operating charges (calculated on average price)	(0.09)	(0.09)	(0.09)
Return after operating charges*	0.55	2.03	0.08
Distributions [^]	(0.85)	(0.24)	(0.30)
Retained distributions on accumulation units [^]	0.80	0.19	0.24
Closing net asset value per unit	54.22	53.72	51.74
* after direct transaction costs of:	-	-	-

Performance

Return after charges	1.02%	3.92%	0.15%
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Other Information

Closing net asset value (£)	95,278,014	89,289,953	2,758,415
Closing number of units	175,708,823	166,220,004	5,331,513
Operating charges [†]	0.17%	0.17%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	55.22p	53.81p	54.14p
Lowest unit price	52.88p	51.39p	51.69p

[^] 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 – See Significant Changes on page 49.

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

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

Fund Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	05/06/17 (pence per unit)	05/06/16 (pence per unit)	05/06/15 (pence per unit)
Opening net asset value per unit	52.87	51.11	51.31
Return before operating charges*	0.64	2.08	0.17
Operating charges (calculated on average price)	(0.04)	(0.04)	(0.04)
Return after operating charges*	0.60	2.04	0.13
Distributions on income units [^]	(0.88)	(0.28)	(0.33)
Closing net asset value per unit	52.59	52.87	51.11
* after direct transaction costs of:	-	-	-

Performance

Return after charges	1.13%	3.99%	0.25%
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Other Information

Closing net asset value (£)	302,072,411	226,972,280	153,342,247
Closing number of units	574,356,836	429,303,995	300,048,676
Operating charges [†]	0.07%	0.07%	0.07%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	54.37p	53.03p	53.47p
Lowest unit price	51.78p	50.63p	51.11p

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

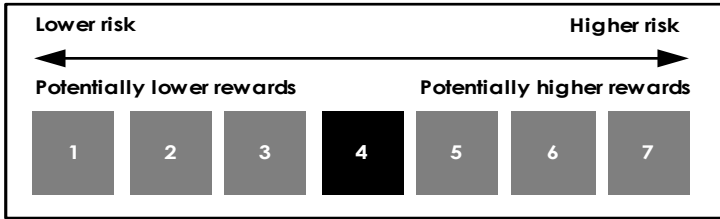
[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is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

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

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

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 is based on the rate at which the value of the Fund and the Index it is tracking have moved up and down in the past.
- This Fund is in category four because it invests in bonds issued by governments. These generally provide higher rewards and higher risks than investments in cash and lower rewards and lower risks than investments in 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.

Financial Derivative Instruments and Collateral

During the year the Fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the Fund. The counterparties to these transactions and any collateral held by the Fund at the balance sheet date is shown below:

Global exposure and collateral

Counterparty	Derivative Groups: Forward Currency Contracts	Gain/(loss) Position	Collateral Held/ (Delivered)
Barclays	172,047,628	1,071,666	nil
BNP Paribas	19,440	(4)	nil
Citigroup	78,880,241	332,838	nil
Goldman Sachs Hong Kong	56,998,340	251,875	nil
Shanghaiite Co	154,386,767	1,045,309	nil
JP Morgan	84,338,876	433,879	nil
LLoyds	119,731,463	815,528	nil
Merrill Lynch	29,929	(108)	nil
RBC Europe	118,793,026	825,827	nil
RBS	118,829,034	825,629	nil
SG Securities	243,136	288	nil
Standard Bank	218,129	533	nil
UBS	59,295,886	244,935	nil
Total	£963,811,895	£5,848,195	nil

To reduce the Fund's exposure to Counterparty Default Risk, the Fund holds or delivers cash or investment grade government bonds as collateral.

No collateral was held or delivered at the balance sheet date in the current year.

General Information

Constitution

Launch date:	28 August 2013
Period end dates for distributions:	5 June, 5 December
Distribution dates:	5 August, 5 February
Minimum initial lump sum investment:	F-Class** £500 I-Class £1,000,000 C-Class† £100,000,000 L-Class* £100,000
Minimum monthly contributions:	F-Class** £50 I-Class N/A C-Class† N/A L-Class* N/A
Valuation point:	3pm
Fund management fees:	F-Class** Annual 0.51% I-Class Annual 0.27% C-Class† Annual 0.17% L-Class* Annual 0.07%
Initial charge:	F-Class** Nil I-Class Nil C-Class† Nil L-Class* Nil

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

** F-Class units are only available to:

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

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

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.

General Information continued

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.

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.

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 0.13%, whilst over the last three years to the end of May 2017, the annualised Tracking Error of the Fund is 0.05%. 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.

General Information continued

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular 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, through the size of any return will be dependent on the size of subscriptions and redemptions.

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 Global Inflation Linked 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:

Controlled Functions

Headcount	Scheme Value at 31.12.16 (£'000)	Total Assets managed by UTM at 31.12.16 (£'000)	% Fund Value of Total Assets
16	669,587	35,886,497	1.87

Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Total Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£,000)
3,278	5,980	9,258	173

Material Risk Takers

Headcount	Scheme Value at 31.12.16 (£'000)	Total Assets managed by the Index Investment Team at 31.12.16 (£'000)	% Fund Value of Total Assets
22	669,587	319,800,000	0.21

Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Total Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
2,178	2,535	4,713	10

General Information continued

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 present the total value of the Fund, and total value of assets managed by UTM, to help put this remuneration in context.

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index 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 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 present the total value of the Fund and total value of assets managed by the teams, to help put this remuneration in context.

Significant Changes

Gross Distribution Payments

We'd like to make you aware of an HM Revenue & Customs ruling which became effective from 6 April 2017. Where interest distributions were previously paid net, we are required to start paying all interest distributions on a gross basis, starting with the June 2017 final distribution payment. Prior to 6 April 2017, interest distributions were paid to clients after the deduction of 20% income tax, unless the client has completed a gross declaration form. From 6 April 2017, we will not deduct tax on any interest distributions and all payments will be made gross.

It will become your responsibility to make any declarations to HM Revenue & Customs. If you are in any doubt as to your taxation position, please consult a professional adviser.

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 (appointed 29 June 2016)
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 Depositary Services
50 Bank Street,
Canary Wharf,
London E14 5NT

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

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

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

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

