

Legal & General Emerging Markets
Government Bond (Local Currency) Index Fund

Interim Manager's Report
for the period ended
20 October 2018
(Unaudited)



Contents

	Page Number
Manager's Investment Report	2
Authorised Status	4
Directors' Statement	4
Portfolio Statement	5
Statement of Total Return	15
Statement of Change in Net Assets attributable to Unitholders	15
Balance Sheet	16
Notes to the Financial Statements	17
Fund Information	18
Risk and Reward Profile	20
General Information	21

Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to provide a return in line with the JPMorgan GBI-EM Global Diversified Local Currency Index (after adjustment for management charges and taxation).

The Fund will invest primarily in the constituents of the JPMorgan GBI-EM Global Diversified Local Currency Index. Securities will be held with weightings generally proportionate to the weightings in the JPMorgan GBI-EM Global Diversified Local Currency Index. The bonds the Fund invests in will be composed primarily of securities issued by emerging market sovereign entities and which are denominated in the national currency of the issuer. Sub-investment grade bonds will be used.

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 Efficient Portfolio Management purposes.

Manager's Investment Report

During the period under review, the price of the Fund's I-Class accumulation units decreased by 4.81%. JP Morgan Chase, the Index compiler, calculates the benchmark Index at the end of the business day using closing bid prices, whereas the Fund is valued using prevailing bid 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 fell by 4.74%, compared with a fall in the Index of 4.57% (Source: LGIM), producing a tracking difference of -0.17%.

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

The major international bond markets struggled to make headway during the review period, as central banks continued to withdraw the extraordinary monetary support that has been in place since the global financial crisis. The US Federal Reserve (Fed) raised interest rates by 0.25% in June and again in September, signalling another hike before the year-end and further tightening in 2019. The Fed also continued unwinding its asset purchase programme, known as quantitative easing (QE). Although the European Central Bank (ECB) announced it would cease its QE programme at the end of 2018, the ECB has reassured investors that it would not raise interest rates at least until mid-2019.

Returns from emerging bond markets have been disappointing over the last six months. Market volatility has risen on concerns that the Federal Reserve may be required to raise US interest rates more rapidly than anticipated, while escalating trade tensions between the US and China have also unsettled investors. In recent months, currency weakness has been pronounced in emerging economies with large current account deficits, notably in Turkey and Argentina. Concerns, that sustained weakness in local currencies would increase debt servicing costs, have also affected emerging bond markets. Nevertheless, issuance levels have remained high as both sovereign and corporate borrowers have looked to attract international investors.

Manager's Investment Report continued

Fund Review

All investment activity was prompted either by unit holder investment or redemption, or by changes in the profile of the benchmark Index. The Fund experienced net positive cash flow during the review period.

The Fund's bond holdings marginally underperformed US treasuries over the review period, the Index yield spread over US treasuries widening by 38 basis points to 311 basis points. Compared to some other emerging market (EM) debt indices, the GBI-EM Global Diversified Index is relatively stable, having 214 constituents at the end of the review period compared to 215 at the beginning. Dominican Republic entered the Index at the end of April 2018 bringing the total number of countries to 19.

The regional breakdown of the Index at the end of the review period was EMEA (Europe, Middle East and Africa) 41.88%, Asia 23.2% and Latin America 35.1%. The most significant changes were reductions in the Index weights of Turkey (-2.1%) and South Africa (-0.4%), with increases in the weights of Brazil (+1.3%) and Peru (+0.4%).

At the end of the review period the Fund held 227 bonds issued by 19 countries. The Index consisted of 214 bonds issued by 19 countries.

Outlook

Looking ahead, the coming months look set to maintain the challenging and volatile time for the emerging market fixed income universe. This heightened volatility and uncertain outcome are materialised through the continuation of the unwind of the Fed Asset Purchase Program, together with the termination of the ECB QE program. In addition, uncertainty on the direction and timing of the protectionist US economic policy could disrupt the emerging markets economies further. Finally, as always, disruption to the Chinese growth story is expected to be a particular point of focus for the markets. These risks should be balanced with potential supporting factors: Economic stimulus set to be unveiled by the Chinese Authorities, US mid-term elections that are expected to deliver a change of majority in the House of Representatives, slowdown of the US growth that could put the brakes on the planned interest rate hikes from the Fed. Finally, we still believe that an increased interdependence of developing country economies provides a buffer, as does the relative improvement in emerging market versus developed market fundamentals over the past years.

The Fund remains well placed to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
14 November 2018

Authorised Status

Authorised Status

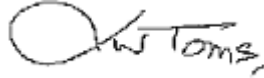
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
10 December 2018

Portfolio Statement

Portfolio Statement as at 20 October 2018

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 20 April 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	NORTH AMERICA — 9.61% (9.71%)		
	Dominican Republic — 0.08% (0.00%)		
DOP55,000,000	Dominican Republic International Bond 8.9% 15/02/2023	836,492	0.08
	Mexico — 9.53% (9.71%)		
MXN56,740,000	Mexico Government International Bond 5% 11/12/2019	2,202,084	0.21
MXN339,500,000	Mexico Government International Bond 8% 11/06/2020	13,626,766	1.32
MXN316,800,000	Mexico Government International Bond 6.5% 10/06/2021	12,263,502	1.19
MXN65,000,000	Mexico Government International Bond 7.25% 09/12/2021	2,554,952	0.25
MXN238,200,000	Mexico Government International Bond 6.5% 09/06/2022	9,111,294	0.88
MXN131,000,000	Mexico Government International Bond 8% 07/12/2023	5,254,312	0.51
MXN234,250,000	Mexico Government International Bond 10% 05/12/2024	10,296,643	1.00
MXN137,800,000	Mexico Government International Bond 5.75% 05/03/2026	4,817,037	0.47
MXN260,000,000	Mexico Government International Bond 7.5% 03/06/2027	10,020,603	0.97
MXN77,350,000	Mexico Government International Bond 8.5% 31/05/2029	3,174,225	0.31
MXN146,700,000	Mexico Government International Bond 7.75% 29/05/2031	5,662,234	0.55
MXN65,900,000	Mexico Government International Bond 7.75% 23/11/2034	2,522,778	0.25
MXN61,100,000	Mexico Government International Bond 10% 20/11/2036	2,850,121	0.28
MXN119,500,000	Mexico Government International Bond 8.5% 18/11/2038	4,898,235	0.48
MXN167,000,000	Mexico Government International Bond 7.75% 13/11/2042	6,323,305	0.61
MXN67,500,000	Mexico Government International Bond 8% 07/11/2047	2,621,062	0.25
		98,199,153	9.53
	CONTINENTAL EUROPE — 28.53% (27.39%)		
	Czech Republic — 4.26% (3.94%)		
CZK81,000,000	Czech Republic Government International Bond 0% 10/02/2020	2,707,176	0.26
CZK127,000,000	Czech Republic Government International Bond 3.75% 12/09/2020	4,492,316	0.44
CZK136,250,000	Czech Republic Government International Bond 3.85% 29/09/2021	4,916,950	0.48

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Czech Republic — (cont.)			
CZK124,000,000	Czech Republic Government International Bond 4.7% 12/09/2022	4,684,039	0.46
CZK102,000,000	Czech Republic Government International Bond 0.45% 25/10/2023	3,238,005	0.31
CZK120,700,000	Czech Republic Government International Bond 5.7% 25/05/2024	4,972,902	0.48
CZK143,500,000	Czech Republic Government International Bond 2.4% 17/09/2025	4,986,620	0.48
CZK122,000,000	Czech Republic Government International Bond 1% 26/06/2026	3,822,021	0.37
CZK81,000,000	Czech Republic Government International Bond 0.25% 10/02/2027	2,372,776	0.23
CZK131,000,000	Czech Republic Government International Bond 2.5% 25/08/2028	4,591,020	0.45
CZK105,000,000	Czech Republic Government International Bond 0.95% 15/05/2030	3,095,755	0.30
		43,879,580	4.26
Hungary — 4.63% (4.61%)			
HUF767,000,000	Hungary Government International Bond 6.5% 24/06/2019	2,173,127	0.21
HUF707,000,000	Hungary Government International Bond 2% 30/10/2019	1,953,643	0.19
HUF866,000,000	Hungary Government International Bond 3.5% 24/06/2020	2,457,618	0.24
HUF765,000,000	Hungary Government International Bond 1% 23/09/2020	2,085,118	0.20
HUF773,000,000	Hungary Government International Bond 7.5% 12/11/2020	2,381,797	0.23
HUF870,000,000	Hungary Government International Bond 0.5% 21/04/2021	2,319,220	0.23
HUF760,940,000	Hungary Government International Bond 2.5% 27/10/2021	2,112,358	0.20
HUF1,161,980,000	Hungary Government International Bond 7% 24/06/2022	3,685,609	0.36
HUF1,585,000,000	Hungary Government International Bond 1.75% 26/10/2022	4,206,383	0.41
HUF1,265,000,000	Hungary Government International Bond 6% 24/11/2023	3,985,579	0.39
HUF1,828,600,000	Hungary Government International Bond 3% 26/06/2024	4,959,687	0.48
HUF2,188,000,000	Hungary Government International Bond 5.5% 24/06/2025	6,723,130	0.65
HUF575,000,000	Hungary Government International Bond 2.75% 22/12/2026	1,461,788	0.14
HUF2,412,260,000	Hungary Government International Bond 3% 27/10/2027	6,182,809	0.60
HUF300,000,000	Hungary Government International Bond 6.75% 22/10/2028	1,008,343	0.10
		47,696,209	4.63

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Poland — 9.15% (9.01%)			
PLN26,850,000	Poland Government International Bond 3.25% 25/07/2019	5,569,316	0.54
PLN6,200,000	Poland Government International Bond 5.5% 25/10/2019	1,320,150	0.13
PLN44,100,000	Poland Government International Bond 1.5% 25/04/2020	9,021,673	0.88
PLN19,000,000	Poland Government International Bond 0% 25/07/2020	3,785,729	0.37
PLN9,050,000	Poland Government International Bond 5.25% 25/10/2020	1,983,800	0.19
PLN33,100,000	Poland Government International Bond 2% 25/04/2021	6,803,583	0.66
PLN38,400,000	Poland Government International Bond 1.75% 25/07/2021	7,838,019	0.76
PLN5,000,000	Poland Government International Bond 5.75% 25/10/2021	1,136,301	0.11
PLN46,885,000	Poland Government International Bond 2.25% 25/04/2022	9,615,950	0.93
PLN15,764,000	Poland Government International Bond 5.75% 23/09/2022	3,639,581	0.35
PLN40,630,000	Poland Government International Bond 2.5% 25/01/2023	8,336,394	0.81
PLN29,340,000	Poland Government International Bond 4% 25/10/2023	6,406,263	0.62
PLN35,300,000	Poland Government International Bond 3.25% 25/07/2025	7,362,605	0.71
PLN42,200,000	Poland Government International Bond 2.5% 25/07/2026	8,280,603	0.80
PLN41,230,000	Poland Government International Bond 2.5% 25/07/2027	8,009,036	0.78
PLN26,700,000	Poland Government International Bond 2.75% 25/04/2028	5,240,241	0.51
		94,349,244	9.15
Romania — 2.98% (2.77%)			
RON5,500,000	Romania Government International Bond 5.6% 28/11/2018	1,038,759	0.10
RON9,640,000	Romania Government International Bond 2.5% 29/04/2019	1,807,890	0.18
RON9,700,000	Romania Government International Bond 4.75% 24/06/2019	1,842,688	0.18
RON7,955,000	Romania Government International Bond 2.25% 26/02/2020	1,469,876	0.14
RON8,200,000	Romania Government International Bond 5.75% 29/04/2020	1,589,431	0.15
RON11,275,000	Romania Government International Bond 3.25% 22/03/2021	2,076,313	0.20
RON7,700,000	Romania Government International Bond 5.95% 11/06/2021	1,506,939	0.15
RON14,300,000	Romania Government International Bond 3.4% 08/03/2022	2,592,302	0.25
RON13,225,000	Romania Government International Bond 3.5% 19/12/2022	2,385,089	0.23
RON13,950,000	Romania Government International Bond 5.85% 26/04/2023	2,752,660	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Romania — (cont.)			
RON8,000,000	Romania Government International Bond 4.25% 28/06/2023	1,473,306	0.14
RON19,900,000	Romania Government International Bond 3.25% 29/04/2024	3,465,182	0.34
RON13,775,000	Romania Government International Bond 4.75% 24/02/2025	2,582,850	0.25
RON20,850,000	Romania Government International Bond 5.8% 26/07/2027	4,146,923	0.40
		30,730,208	2.98
Russian Federation — 7.51% (7.06%)			
RUB212,500,000	Russian Federation 6.7% 15/05/2019	2,475,610	0.24
RUB258,000,000	Russian Federation 6.8% 11/12/2019	2,998,270	0.29
RUB316,250,000	Russian Federation 6.4% 27/05/2020	3,630,212	0.35
RUB193,000,000	Russian Federation 7.6% 14/04/2021	2,241,836	0.22
RUB369,500,000	Russian Federation 7.5% 18/08/2021	4,256,667	0.41
RUB405,000,000	Russian Federation 7% 15/12/2021	4,592,303	0.44
RUB171,892,000	Russian Federation 7.6% 20/07/2022	1,978,440	0.19
RUB575,000,000	Russian Federation 7.4% 07/12/2022	6,532,706	0.63
RUB173,000,000	Russian Federation 7% 25/01/2023	1,940,257	0.19
RUB422,000,000	Russian Federation 7% 16/08/2023	4,712,657	0.46
RUB255,000,000	Russian Federation 6.5% 28/02/2024	2,750,590	0.27
RUB559,000,000	Russian Federation 7.1% 16/10/2024	6,162,099	0.60
RUB530,700,000	Russian Federation 7.75% 16/09/2026	5,961,233	0.58
RUB522,785,000	Russian Federation 8.15% 03/02/2027	6,001,196	0.58
RUB560,000,000	Russian Federation 7.05% 19/01/2028	5,969,558	0.58
RUB175,000,000	Russian Federation 6.9% 23/05/2029	1,819,464	0.18
RUB416,652,000	Russian Federation 8.5% 17/09/2031	4,867,554	0.47
RUB574,000,000	Russian Federation 7.7% 23/03/2033	6,263,580	0.61
RUB215,000,000	Russian Federation 7.25% 10/05/2034	2,245,142	0.22
		77,399,374	7.51
SOUTH AMERICA — 24.98% (23.09%)			
Argentina — 0.59% (0.83%)			
ARS151,400,000	Argentina Government International Bond 18.2% 03/10/2021 ¹	2,679,459	0.26
ARS55,000,000	Argentina Government International Bond 16% 17/10/2023 ¹	1,022,196	0.10
ARS137,454,902	Argentina Government International Bond 15.5% 17/10/2026 ¹	2,382,429	0.23
		6,084,084	0.59
Brazil — 11.21% (9.90%)			
BRL980,000	Brazil Government International Bond 0% 01/07/2019 ¹	1,930,551	0.19
BRL3,095,000	Brazil Government International Bond 0% 01/10/2019 ¹	5,974,032	0.58

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Brazil — (cont.)		
BRL3,320,000	Brazil Government International Bond 0% 01/01/2020 ¹	6,275,807	0.61
BRL5,000,000	Brazil Government International Bond 0% 01/04/2020 ¹	9,251,055	0.90
BRL10,855,000	Brazil Government International Bond 0% 01/07/2020 ¹	19,643,130	1.91
BRL5,725,000	Brazil Government International Bond 10% 01/01/2021 ¹	12,493,881	1.21
BRL4,200,000	Brazil Government International Bond 0% 01/07/2021 ¹	6,904,193	0.67
BRL5,960,000	Brazil Government International Bond 0% 01/01/2022 ¹	9,305,467	0.90
BRL8,396,500	Brazil Government International Bond 10% 01/01/2023 ¹	18,110,831	1.76
BRL6,355,000	Brazil Government International Bond 10% 01/01/2025 ¹	13,543,474	1.31
BRL4,881,500	Brazil Government International Bond 10% 01/01/2027 ¹	10,272,106	1.00
BRL850,000	Brazil Government International Bond 10% 01/01/2029 ¹	1,774,634	0.17
		115,479,161	11.21
	Chile — 2.59% (2.46%)		
CLP145,000,000	Chile Government International Bond 5.5% 05/08/2020	169,480	0.02
CLP1,790,000,000	Chile Government International Bond 4.5% 28/02/2021	2,073,684	0.20
CLP3,890,000,000	Chile Government International Bond 4.5% 01/03/2021	4,505,754	0.44
CLP660,000,000	Chile Government International Bond 4% 01/03/2023	748,618	0.07
CLP5,295,000,000	Chile Government International Bond 4.5% 01/03/2026	6,032,527	0.58
CLP910,000,000	Chile Government International Bond 4.7% 01/09/2030	1,026,601	0.10
CLP6,320,000,000	Chile Government International Bond 5% 01/03/2035	7,205,429	0.70
CLP3,825,000,000	Chile Government International Bond 6% 01/01/2043	4,931,219	0.48
		26,693,312	2.59
	Colombia — 7.32% (7.05%)		
COP18,783,400,000	Colombia Government International Bond 7% 11/09/2019	4,755,879	0.46
COP14,850,000,000	Colombia Government International Bond 11% 24/07/2020	4,035,789	0.39
COP65,700,000,000	Colombia Government International Bond 7% 04/05/2022	16,882,618	1.64
COP20,450,000,000	Colombia Government International Bond 10% 24/07/2024	5,936,870	0.58
COP22,750,000,000	Colombia Government International Bond 6.25% 26/11/2025	5,504,667	0.53
COP56,490,700,000	Colombia Government International Bond 7.5% 26/08/2026	14,595,969	1.42

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Colombia — (cont.)		
COP44,630,000,000	Colombia Government International Bond 6% 28/04/2028	10,278,302	1.00
COP20,025,000,000	Colombia Government International Bond 7.75% 18/09/2030	5,185,178	0.50
COP34,600,000,000	Colombia Government International Bond 7% 30/06/2032	8,291,759	0.80
		75,467,031	7.32
	Peru — 3.04% (2.65%)		
PEN5,300,000	Peruvian Government International Bond 7.84% 12/08/2020	1,337,496	0.13
PEN18,850,000	Peruvian Government International Bond 5.7% 12/08/2024	4,505,324	0.44
PEN21,775,000	Peruvian Government International Bond 8.2% 12/08/2026	5,887,782	0.57
PEN25,475,000	Peruvian Government International Bond 6.35% 12/08/2028	6,132,733	0.60
PEN21,550,000	Peruvian Government International Bond 6.95% 12/08/2031	5,366,540	0.52
PEN16,400,000	Peruvian Government International Bond 6.15% 12/08/2032	3,821,348	0.37
PEN17,650,000	Peruvian Government International Bond 6.9% 12/08/2037	4,272,738	0.41
		31,323,961	3.04
	Uruguay — 0.23% (0.20%)		
UYU31,000,000	Uruguay Government International Bond 9.875% 20/06/2022	717,515	0.07
UYU81,842,000	Uruguay Government International Bond 8.5% 15/03/2028	1,660,294	0.16
		2,377,809	0.23
	AFRICA — 8.35% (8.65%)		
	South Africa — 8.35% (8.65%)		
ZAR38,600,000	South Africa Government International Bond 7.25% 15/01/2020	2,066,235	0.20
ZAR69,100,000	South Africa Government International Bond 6.75% 31/03/2021	3,603,945	0.35
ZAR116,700,000	South Africa Government International Bond 7.75% 28/02/2023	6,041,447	0.59
ZAR263,350,000	South Africa Government International Bond 10.5% 21/12/2026	15,037,722	1.46
ZAR114,849,993	South Africa Government International Bond 8% 31/01/2030	5,448,970	0.53
ZAR108,375,000	South Africa Government International Bond 7% 28/02/2031	4,667,879	0.45
ZAR97,900,000	South Africa Government International Bond 8.25% 31/03/2032	4,616,667	0.45
ZAR105,800,000	South Africa Government International Bond 8.875% 28/02/2035	5,147,564	0.50

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	South Africa — (cont.)		
ZAR144,250,000	South Africa Government International Bond 6.25% 31/03/2036	5,369,856	0.52
ZAR143,000,000	South Africa Government International Bond 8.5% 31/01/2037	6,645,899	0.64
ZAR107,500,000	South Africa Government International Bond 9% 31/01/2040	5,157,220	0.50
ZAR88,500,000	South Africa Government International Bond 6.5% 28/02/2041	3,225,215	0.31
ZAR178,225,000	South Africa Government International Bond 8.75% 31/01/2044	8,295,112	0.81
ZAR229,289,816	South Africa Government International Bond 8.75% 28/02/2048	10,668,186	1.04
		85,991,917	8.35
	ASIA — 22.81% (22.91%)		
	Indonesia — 8.77% (9.05%)		
IDR42,000,000,000	Indonesia Government International Bond 8.25% 15/09/2020	2,155,802	0.21
IDR17,000,000,000	Indonesia Government International Bond 11% 15/11/2020	914,234	0.09
IDR25,000,000,000	Indonesia Government International Bond 12.8% 15/06/2021	1,397,114	0.13
IDR120,215,000,000	Indonesia Government International Bond 8.25% 15/07/2021	6,074,510	0.59
IDR136,700,000,000	Indonesia Government International Bond 7% 15/05/2022	6,635,893	0.64
IDR141,000,000,000	Indonesia Government International Bond 5.625% 15/05/2023	6,355,307	0.62
IDR18,000,000,000	Indonesia Government International Bond 8.75% 15/08/2023	916,518	0.09
IDR151,500,000,000	Indonesia Government International Bond 8.375% 15/03/2024	7,529,040	0.73
IDR29,000,000,000	Indonesia Government International Bond 11% 15/09/2025	1,629,064	0.16
IDR125,318,000,000	Indonesia Government International Bond 8.375% 15/09/2026	6,155,041	0.60
IDR142,545,000,000	Indonesia Government International Bond 7% 15/05/2027	6,446,554	0.62
IDR154,200,000,000	Indonesia Government International Bond 6.125% 15/05/2028	6,506,141	0.63
IDR91,520,000,000	Indonesia Government International Bond 9% 15/03/2029	4,726,831	0.46
IDR18,000,000,000	Indonesia Government International Bond 10.5% 15/08/2030	1,003,554	0.10

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Indonesia — (cont.)		
IDR78,900,000,000	Indonesia Government International Bond 8.75% 15/05/2031	3,919,071	0.38
IDR43,182,000,000	Indonesia Government International Bond 9.5% 15/07/2031	2,261,092	0.22
IDR44,000,000,000	Indonesia Government International Bond 8.875% 15/11/2031	2,226,870	0.22
IDR49,500,000,000	Indonesia Government International Bond 8.25% 15/06/2032	2,382,895	0.23
IDR66,000,000,000	Indonesia Government International Bond 7.5% 15/08/2032	2,934,805	0.28
IDR99,250,000,000	Indonesia Government International Bond 6.625% 15/05/2033	4,102,385	0.40
IDR126,150,000,000	Indonesia Government International Bond 8.375% 15/03/2034	6,079,591	0.59
IDR97,150,000,000	Indonesia Government International Bond 8.25% 15/05/2036	4,565,395	0.44
IDR80,000,000,000	Indonesia Government International Bond 7.5% 15/05/2038	3,472,448	0.34
		90,390,155	8.77
	Malaysia — 5.53% (5.66%)		
MYR21,800,000	Malaysia Government International Bond 4.378% 29/11/2019	4,064,270	0.39
MYR19,850,000	Malaysia Government International Bond 3.492% 31/03/2020	3,663,632	0.36
MYR11,800,000	Malaysia Government International Bond 3.226% 15/04/2020	2,169,046	0.21
MYR20,475,000	Malaysia Government International Bond 3.659% 15/10/2020	3,788,222	0.37
MYR19,400,000	Malaysia Government International Bond 4.16% 15/07/2021	3,633,918	0.35
MYR13,300,000	Malaysia Government International Bond 4.048% 30/09/2021	2,484,865	0.24
MYR9,500,000	Malaysia Government International Bond 3.62% 30/11/2021	1,752,827	0.17
MYR20,500,000	Malaysia Government International Bond 3.948% 14/04/2022	3,809,018	0.37
MYR4,100,000	Malaysia Government International Bond 3.795% 30/09/2022	757,122	0.07
MYR9,700,000	Malaysia Government International Bond 3.48% 15/03/2023	1,764,616	0.17
MYR8,190,000	Malaysia Government International Bond 4.39% 07/07/2023	1,539,807	0.15
MYR12,568,000	Malaysia Government International Bond 3.8% 17/08/2023	2,312,424	0.22
MYR16,500,000	Malaysia Government International Bond 4.181% 15/07/2024	3,082,773	0.30
MYR14,500,000	Malaysia Government International Bond 4.059% 30/09/2024	2,690,929	0.26

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Malaysia — (cont.)		
MYR19,710,000	Malaysia Government International Bond 3.955% 15/09/2025	3,622,340	0.35
MYR7,375,000	Malaysia Government International Bond 4.07% 30/09/2026	1,353,851	0.13
MYR18,000,000	Malaysia Government International Bond 3.9% 30/11/2026	3,267,502	0.32
MYR5,500,000	Malaysia Government International Bond 4.258% 26/07/2027	1,021,562	0.10
MYR27,800,000	Malaysia Government International Bond 3.899% 16/11/2027	5,027,224	0.49
MYR7,250,000	Malaysia Government International Bond 4.232% 30/06/2031	1,298,821	0.13
MYR21,200,000	Malaysia Government International Bond 4.762% 07/04/2037	3,870,800	0.38
		56,975,569	5.53
	Philippines — 0.23% (0.29%)		
PHP39,000,000	Philippine Government International Bond 4.95% 15/01/2021	546,590	0.06
PHP47,000,000	Philippine Government International Bond 3.9% 26/11/2022	624,973	0.06
PHP87,000,000	Philippine Government International Bond 6.25% 14/01/2036	1,155,515	0.11
		2,327,078	0.23
	Thailand — 8.28% (7.91%)		
THB217,600,000	Thailand Government International Bond 2.55% 26/06/2020	5,166,827	0.50
THB369,271,000	Thailand Government International Bond 3.65% 17/12/2021	9,079,271	0.88
THB349,000,000	Thailand Government International Bond 1.875% 17/06/2022	8,081,339	0.78
THB332,000,000	Thailand Government International Bond 2% 17/12/2022	7,700,112	0.75
THB297,000,000	Thailand Government International Bond 3.625% 16/06/2023	7,360,600	0.72
THB63,000,000	Thailand Government International Bond 2.4% 17/12/2023	1,476,854	0.14
THB306,200,000	Thailand Government International Bond 3.85% 12/12/2025	7,765,450	0.75
THB330,300,000	Thailand Government International Bond 2.125% 17/12/2026	7,408,597	0.72
THB325,600,000	Thailand Government International Bond 4.875% 22/06/2029	9,001,286	0.87
THB260,100,000	Thailand Government International Bond 3.65% 20/06/2031	6,425,619	0.62
THB193,694,000	Thailand Government International Bond 3.775% 25/06/2032	4,813,895	0.47
THB254,000,000	Thailand Government International Bond 3.4% 17/06/2036	6,047,995	0.59
THB240,000,000	Thailand Government International Bond 2.875% 17/06/2046	5,062,621	0.49
		85,390,466	8.28

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	MIDDLE EAST — 4.36% (6.50%)		
	Turkey — 4.36% (6.50%)		
TRY14,750,000	Turkey Government International Bond 8.5% 10/07/2019 ¹	1,824,705	0.18
TRY13,360,000	Turkey Government International Bond 10.5% 15/01/2020 ¹	1,587,294	0.15
TRY19,150,000	Turkey Government International Bond 7.4% 05/02/2020 ¹	2,142,286	0.21
TRY28,750,000	Turkey Government International Bond 9.4% 08/07/2020 ¹	3,118,408	0.30
TRY21,410,000	Turkey Government International Bond 10.7% 17/02/2021 ¹	2,240,680	0.22
TRY22,250,000	Turkey Government International Bond 9.2% 22/09/2021 ¹	2,253,827	0.22
TRY16,575,000	Turkey Government International Bond 9.5% 12/01/2022 ¹	1,633,161	0.16
TRY32,600,000	Turkey Government International Bond 11% 02/03/2022 ¹	3,338,573	0.32
TRY22,800,000	Turkey Government International Bond 10.7% 17/08/2022 ¹	2,277,549	0.22
TRY14,100,000	Turkey Government International Bond 8.5% 14/09/2022 ¹	1,367,228	0.13
TRY30,000,000	Turkey Government International Bond 12.2% 18/01/2023 ¹	3,136,529	0.30
TRY21,985,000	Turkey Government International Bond 7.1% 08/03/2023 ¹	1,903,667	0.19
TRY19,168,454	Turkey Government International Bond 8.8% 27/09/2023 ¹	1,755,654	0.17
TRY18,150,000	Turkey Government International Bond 10.4% 20/03/2024 ¹	1,798,228	0.17
TRY22,250,000	Turkey Government International Bond 9% 24/07/2024 ¹	2,102,393	0.20
TRY18,300,000	Turkey Government International Bond 8% 12/03/2025 ¹	1,525,187	0.15
TRY36,525,000	Turkey Government International Bond 10.6% 11/02/2026 ¹	3,501,437	0.34
TRY20,600,000	Turkey Government International Bond 11% 24/02/2027 ¹	1,917,525	0.19
TRY39,657,000	Turkey Government International Bond 10.5% 11/08/2027 ¹	3,574,576	0.35
TRY19,250,000	Turkey Government International Bond 12.4% 08/03/2028 ¹	1,967,415	0.19
		44,966,322	4.36
Portfolio of investments		1,016,557,125	98.64
Net other assets		14,013,664	1.36
Total net assets		£1,030,570,789	100.00%

¹ These are sub-investment grade fixed interest securities and represent 16.16% of the net assets of the Fund.

Total purchases for the period: £300,738,866.

Total sales for the period: £53,488,913.

Financial Statements

Statement of Total Return for the period ended 20 October 2018

	20/10/18		20/10/17	
	£	£	£	£
Income				
Net capital losses		(67,739,957)		(2,928,938)
Revenue	25,064,447		15,518,888	
Expenses				
Interest payable and similar charges	(32,713)		(135,167)	
Net revenue before taxation	<u>24,020,757</u>		<u>14,774,208</u>	
Taxation	<u>—</u>		<u>—</u>	
Net revenue after taxation for the period		<u>24,020,757</u>		<u>14,774,208</u>
Total return before distributions		<u>(43,719,200)</u>		<u>11,845,270</u>
Distributions		<u>(25,031,727)</u>		<u>(15,383,720)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£(68,750,927)</u>		<u>£(3,538,450)</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 20 October 2018

	20/10/18		20/10/17	
	£	£	£	£
Opening net assets attributable to Unitholders		853,134,790		438,783,959
Amounts received on issue of units	244,210,696		274,394,795	
Amounts paid on cancellation of units	<u>(11,199,785)</u>		<u>(11,023,213)</u>	
		233,010,911		263,371,582
Change in net assets attributable to Unitholders from investment activities		(68,750,927)		(3,538,450)
Retained distributions on accumulation units		<u>13,176,015</u>		<u>8,630,494</u>
Closing net assets attributable to Unitholders		<u>£1,030,570,789</u>		<u>£707,247,585</u>

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

Financial Statements continued

Balance Sheet as at 20 October 2018

	20/10/18 £	20/04/18 £
ASSETS		
Fixed assets:		
Investments	1,016,557,125	838,239,796
Current assets:		
Debtors	16,553,436	19,251,187
Cash and bank balances	22,883,486	10,154,868
Total assets	1,055,994,047	867,645,851
LIABILITIES		
Creditors:		
Bank overdrafts	(9,680,948)	(4,854,496)
Distributions payable	(6,446,716)	(4,229,583)
Other creditors	(9,295,594)	(5,426,982)
Total liabilities	(25,423,258)	(14,511,061)
Net assets attributable to Unitholders	£1,030,570,789	£853,134,790

Notes to the Financial Statements

1. Statement of Compliance

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

2. Accounting Policies

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

(a) Basis of Preparation

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

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	20,565	43,362	47.43
Accumulation Units	106,623	220,220	48.42
I-Class			
Distribution Units	61,843,048	114,960,543	53.80
Accumulation Units	213,790,625	346,365,485	61.72
C-Class			
Distribution Units	1,078	2,000	53.90
Accumulation Units	102,681,131	165,915,678	61.89
L-Class			
Distribution Units	442,598,813	818,073,270	54.10
Accumulation Units	209,528,906	337,539,428	62.08

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.

Ongoing Charges Figures

	20 Oct 18	20 Apr 18
R-Class†	0.73%	–
I-Class	0.35%	0.35%
C-Class	0.25%	0.25%
L-Class	0.14%	0.14%

† R-Class Units launched on 1 June 2018.

The Ongoing Charges Figure (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.

Fund Information continued

Distribution Information

R-Class

The distribution payable on 20 December 2018 is 0.6067p per unit for distribution units and 0.6112p per unit for accumulation units.

I-Class

The distribution payable on 20 December 2018 is 0.6875p per unit for distribution units and 0.7789p per unit for accumulation units.

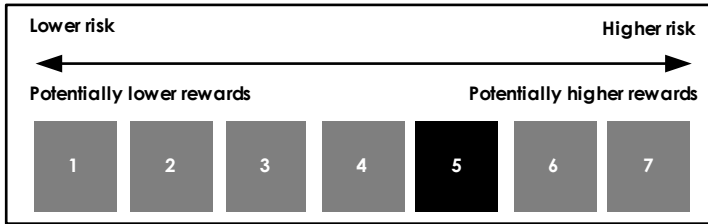
C-Class

The distribution payable on 20 December 2018 is 0.6895p per unit for distribution units and 0.7809p per unit for accumulation units.

L-Class

The distribution payable on 20 December 2018 is 0.6913p per unit for distribution units and 0.7832p per unit for accumulation units.

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.
- The Fund is in category five 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:	29 January 2016
Period end dates for distributions:	20 January, 20 April, 20 July and 20 October
Distribution dates:	20 March, 20 June, 20 September and 20 December
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 C-Class* £100,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	R-Class† 0.73% I-Class 0.35% C-Class* 0.25% L-Class** 0.14%
Initial charge:	R-Class Nil I-Class Nil C-Class* Nil L-Class** Nil

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

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

† With effect from 1 June 2018 – See Significant Change on page 22.

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 period, the annualised Tracking Error of the Fund is 0.21%, whilst since launch on 29 January 2016 to the end of September 2018, the annualised Tracking Error of the Fund is 0.24%. 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.

Significant Change

New Unit Class: R-Class

With effect from 1 June 2018, R-Class units have been launched with accumulation and distribution units available.

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
H. Solomon
S. D. Thomas (resigned 17 October 2018)
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 SE
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

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Adviser

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

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

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
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