Distribution Number 34

Legal & General Cash Trust

Annual Manager's Short Report for the year ended 5 February 2014

EVERY DAY MATTERS.®

Legal & General

Investment Objective and Policy

The investment objective of this Trust is to secure a high yield from those deposits or short-term instruments in which investment is permissible for a money market fund.

The Manager expects to generally invest in overnight and short-term deposits but may exercise such flexibility within the objective as it deems desirable.

Risk Profile

Credit Risk

This Trust holds deposits with financial institutions. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed by monitoring the financial stability of investments and companies, via credit ratings.

Market Risk

Market risk arises mainly from uncertainty about future prices. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Interest Rate Risk

This Trust holds cash deposits. The performance of the Trust may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.

Trust Facts

Period End Dates for Distributions:	5 Nov, 5 Feb, 5 May and 5 Aug	
Distribution Dates:	5 Jan, 5 Apr, 5 Jul and 5 Oct	
Ongoing Charges Figures:	5 Feb 14	5 Feb 13
R-Class	0.65%	0.65%
I-Class	0.21%	0.21%

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

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

Risk and Reward Profile

Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards
1	2	3	4	5	6	7

- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category one because it invests with banks and other financial institutions which generally provide lower rewards and lower risks than other investments such as bonds, commercial property or company shares.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

Trust Performance

Accounting Date	Net Asset Value Of Trust	Net Asset Value Per Unit	Number Of Units In Issue
5 Feb 12			
R-Class	£36,796,347	94.25p	39,040,042
I-Class	£33,831,828	95.91p	35,272,947
5 Feb 13			
R-Class	£29,414,657	94.19p	31,229,681
I-Class	£43,580,201	96.20p	45,301,954
5 Feb 14			
R-Class	£19,244,050	93.97p	20,479,220
I-Class	£50,828,508	96.36p	52,748,698

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.

Distribution Information

R-Class

A shortfall for this unit class arose because expenses exceeded the revenue of the unit class. This being the case there is no distribution payable on 5 April 2014.

I-Class

The distribution payable on 5 April 2014 is 0.0323p net per unit for accumulation units.

Portfolio Information

The holdings and their associated weighting for the current and preceding year are:

Holdings at 5 February 2014		Holdings at 5 February 2013	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Skandinaviska Enskilda Banken 0.35% 06/02/2014	9.99%	Deutsche Bank 0.40% 14/02/2013	8.22%
UBS AG 0.30% 06/02/2014	9.99%	Sumitomo Mitsui 0.43% 14/02/2013	8.22%
Barclays 0.54% 23/04/2014	7.14%	HSBC 0.45% 15/07/2013	6.85%
BNP Paribas 0.63% 03/06/2014	7.14%	Nordea Bank 0.5% 04/04/2013	6.85%
Lloyds Banking 0.53% 23/04/2014	7.14%	Standard Chartered 0.5% 15/07/2013	6.85%
Bank of Nova Scotia 0.00% 12/03/2014	7.12%	DZ Bank 0.40% 08/02/2013	6.85%
Bank of Tokyo-Mitsubishi 0.40% 07/02/2014	4.28%	National Bank of Abu Dhabi 0.35% 08/02/2013	6.85%
BRED Banque Populaire 0.44% 07/02/2014	4.28%	Société Générale 0.45% 07/02/2013	6.85%
HSBC 0.40% 06/02/2014	4.28%	BNP Paribas 0.35% 06/02/2013	6.44%
Landesbank Hessen-Thuringen 0.43% 06/02/2014	4.28%	Bank of Nova Scotia 0.39% 18/02/2013	5.48%
Landesbank Hessen-Thuringen 0.43% 07/02/2014	4.28%	Barclays 0.65% 28/03/2013	4.79%
Rabobank International 0.10% 06/02/2014	4.28%	ABN Amro 0.82% 20/02/2013	4.11%
Rabobank International 0.10% 07/02/2014	4.28%	The Bank of Tokyo-Mitsubishi 0.46% 20/02/2013	4.11%
Société Générale 0.42% 07/02/2014	4.28%	Credit Agricole 0.44% 07/02/2013	4.11%
Standard Chartered 0.40% 07/02/2014	4.28%	Mizuho 0.0% 17/04/2013	4.11%
Sumitomo Mitsui 0.45% 07/02/2014	4.28%	Swedbank AB 0.0% 18/02/2013	4.10%
National Bank of Abu Dhabi 0.50% 03/03/2014	3.57%	Bank of Novia Scotia 0.36% 08/02/2013	2.74%
Qatar National Bank SAQ 0.00% 15/04/2014	3.56%	Lloyds Banking 0.40% 08/02/2013	2.05%
HSBC Bank 0.40% 07/02/2014	1.43%		

These unlisted deposits have been valued at the Manager's best assessment of their fair value.

Unit Price Range and Net Revenue

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Accumulation Units			
2009	94.19p	93.74p	1.6218p
2010	94.17p	94.15p	0.0025p
2011	94.24p	94.16p	0.0356p
2012	94.26p	94.20p	0.0631p
2013	94.20p	93.99p	—
2014[1]	93.99p	93.97p	—

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Accumulation Units			
2009	95.15p	94.46p	1.8627p
2010	95.46p	95.15p	0.2913p
2011	95.87p	95.46p	0.3761p
2012	96.18p	95.88p	0.3845p
2013	96.35p	96.18p	0.1790p
2014[1]	96.35p	96.34p	0.0936p

[1] The above tables show the highest offer and lowest bid prices to 5 February 2014 and the net revenue per unit to 5 April 2014.

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units fell by 0.24%.

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The value of investments and any income from them may go down as well as up.

Market/Economic Review

Sterling money market rates rose slightly over the year, with Sterling Libor, the benchmark rate at which banks lend to one another, ending the three-month period to the end of February 2014 at 0.521%. The Funding for Lending scheme, which provides banks with access to cheap money, continues to play an important part in keeping Sterling money market rates at low levels. In November, the Bank of England announced it would scale back the incentives provided to banks to lend to households, in an attempt to curb mortgage lending and divert credit to businesses. The Funding for Lending scheme will instead be focused on supporting small and medium sized enterprises.

In August, the newly appointed Bank of England Governor, Mark Carney, provided forward guidance on monetary policy to the markets. While maintaining its official 2% inflation target, the Bank linked its interest rate outlook to unemployment, adopting a similar framework to the US Federal Reserve, signalling that it does not intend to raise interest rates from the current 0.5% rate at least until the unemployment rate has fallen to a threshold of 7%.

Subsequently, Governor Carney has signalled that a fall in the unemployment rate to 7% would not automatically trigger a tightening of monetary policy. Inflationary pressures remained subdued with earnings growth below the benchmark inflation rate. Indeed, the consumer price index hit the Bank of England's 2% target for the first time in four years during December.

The Bank of England Monetary Policy Committee left monetary policy unchanged during the review year, as UK economic indicators highlighted a marked improvement. The GDP figures for the third quarter revealed that the UK economy grew at 0.8%, its fastest rate of expansion since the second quarter of 2010. The Bank of England noted that most of the momentum is coming from the household sector, but cautioned that it has a wider range of policy tools to prevent the property market from expanding at an unsustainable rate, as it now has direct responsibility for the supervision of banks and building societies.

Trust Review

The Cash Trust aims to provide investors with a low risk, highly liquid cash fund which is supported by a diversified pool of assets. Over the review year, we maintained a liquid and diversified portfolio, with a focus on very high quality names. As inflation looked more contained towards the end of the review year, and recruitment surveys pointed towards tighter labour market conditions, we took advantage of the steeper money market curve which followed the stronger than expected labour market data by extending duration in preferred issuers.

Outlook

Looking ahead, we expect to see the UK economy return towards long-term trend rates of growth in 2014. Business investment looks set to become an important driving force of growth as companies have strengthened their balance sheets through paying down debt and are now in a stronger position to increase investment. With regards to changes in monetary policy, inflationary pressure remains benign and Carney has been careful to not automatically associate lower employment levels with an interest rates hike. In this environment, the portfolio will continue to hold high quality and highly liquid securities.

As we have previously notified, due to the current economic climate, interest rates are at record lows. In this environment, it is difficult for the Trust to generate returns on its cash deposits in excess of the Trust's expenses. Distributions to unitholders are therefore expected to be minimal or zero for the forthcoming period. You can keep track of the yield to investors in the Cash Trust by visiting our website at www.legalandgeneral.com/investments/fund-information/daily-fund-prices.

Legal & General Investment Management Limited
(Investment Adviser)
28 February 2014

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

EU Savings Directive

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

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

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

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£500
I-Class	£500,000

In addition, monthly contributions can be made into the R-Class only, with a minimum amount of £50 per month.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Trust can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

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