Distribution Number 14

Legal & General All Stocks Gilt Index Trust

Annual Manager's Short Report for the year ended 25 May 2013

Legal & General

Investment Objective and Policy

The investment objective of this Trust is to track the total return of UK Government Securities, as represented by the FTSE Actuaries UK Government Securities All Stocks Index after adjustment for management charges and taxation, by investment in a representative sample of stocks.

Risk Profile

Credit Risk

This Trust is invested in financial securities such as Government bonds. 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 credit profile of financial instruments and Government counterparties.

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 is invested in interest bearing securities. 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:	25 May, 25 Nov	
Distribution Dates:	25 Jul, 25 Jan	
Ongoing Charges Figures:	25 May 13	25 May 12
M-Class	0.22%	0.24%
I-Class*	0.19%	—
F-Class*	0.37%	—

* I-Class and F-Class units launched on 19 December 2012.

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 in category four because it invests in investment grade bonds which generally provide lower rewards and lower risks than other investments such as sub-investment grade bonds 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
25 May 11			
M-Class			
Distribution Units	£330,117,925	101.75p	324,438,020
Accumulation Units	£445,567,791	159.77p	278,887,151
25 May 12			
M-Class			
Distribution Units	£252,999,012	112.30p	225,283,342
Accumulation Units	£569,408,635	183.43p	310,421,081
25 May 13			
M-Class			
Distribution Units	£184,444,887	110.08p	167,562,734
Accumulation Units	£355,151,520	183.70p	193,329,517
I-Class*			
Distribution Units	£5,589,315	110.10p	5,076,608
Accumulation Units	£1,741,582	183.78p	947,638
F-Class*			
Distribution Units	£994	109.96p	904
Accumulation Units	£27,252	183.68p	14,837

* I-Class and F-Class units launched on 19 December 2012.

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

M-Class

The distribution payable on 25 July 2013 is 1.1638p net per unit for distribution units and 1.9219p net per unit for accumulation units.

I-Class

The distribution payable on 25 July 2013 is 1.1793p net per unit for distribution units and 1.9514p net per unit for accumulation units.

F-Class

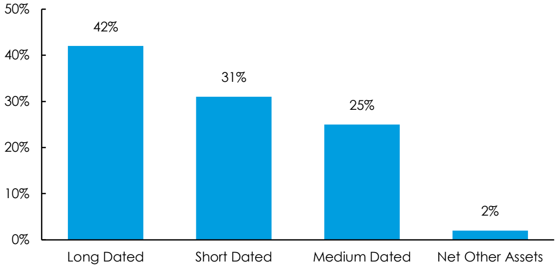
The distribution payable on 25 July 2013 is 1.1902p net per unit for distribution units and 1.8883p net per unit for accumulation units.

Portfolio Information

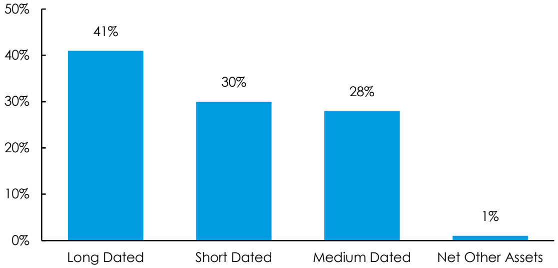
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 25 May 2013		Top 10 Holdings at 25 May 2012	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Treasury 5% 07/09/2014	3.73%	Treasury 5% 07/09/2014	3.82%
Treasury 4% 07/03/2022	3.72%	Treasury 5% 07/03/2025	3.73%
Treasury 5% 07/03/2025	3.66%	Treasury 4% 07/03/2022	3.71%
Treasury 4.5% 07/03/2019	3.65%	Treasury 4.75% 07/03/2020	3.58%
Treasury 4.75% 07/09/2015	3.56%	Treasury 4% 07/09/2016	3.51%
Treasury 5% 07/03/2018	3.53%	Treasury 4.75% 07/09/2015	3.51%
Treasury 4.75% 07/03/2020	3.43%	Treasury 4.5% 07/03/2019	3.36%
Treasury 4.25% 07/06/2032	3.34%	Treasury 4.25% 07/06/2032	3.33%
Treasury 4% 07/09/2016	3.29%	Treasury 5% 07/03/2018	3.31%
Treasury 4.75% 07/12/2030	3.18%	Treasury 2.25% 07/03/2014	3.25%

Trust Holdings as at 25 May 2013



Trust Holdings as at 25 May 2012



Unit Price Range and Net Revenue

M-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	103.40p	90.83p	3.4922p
2009	104.40p	96.79p	3.4194p
2010	105.60p	96.71p	3.1935p
2011	112.80p	97.81p	2.9798p
2012	115.20p	108.60p	2.8190p
2013[2]	113.80p	108.40p	2.3991p
Accumulation Units			
2008	152.30p	131.50p	4.9182p
2009	154.50p	143.90p	4.9939p
2010	163.40p	147.30p	4.8245p
2011	181.50p	153.60p	4.6432p
2012	188.20p	175.20p	4.5186p
2013[2]	187.90p	179.00p	3.9398p

I-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012[1]	112.00p	110.50p	—
2013[2]	113.80p	108.40p	1.1793p
Accumulation Units			
2012[1]	185.10p	182.60p	—
2013[2]	188.00p	179.10p	1.9514p

F-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012[1]	112.00p	110.50p	—
2013[2]	113.70p	108.40p	1.1902p
Accumulation Units			
2012[1]	185.10p	182.60p	—
2013[2]	187.90p	179.00p	1.8883p

* I-Class and F-Class units both launched on 19 December 2012.

[1] The above tables show the highest offer and lowest bid prices from 19 December 2012 to 31 December 2012.

[2] The above tables show the highest offer and lowest bid prices to 25 May 2013 and the net revenue per unit to 25 July 2013.

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.

Manager's Investment Report

Over the year under review, the bid price of the Trust's M-Class accumulation units rose by 0.11%.

FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Trust has been revalued using closing prices and adjusted for the effects of Trust charges and taxation. On this basis, over the review year from the close of business on 25 May 2012 to the close of business on 24 May 2013 (the last working day of the accounting year), the Trust rose by 1.22%, compared with the benchmark Index rise of 1.16% (Source: Bloomberg), producing a tracking deviation of 0.06%. This is within the anticipated tracking deviation of 0.25% per annum as disclosed in the Trust's prospectus.

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.

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Market/Economic Review

The year under review started with gilts posting positive returns through the end of quarter two 2012 due to market uncertainty caused by the ongoing Eurozone debt crisis, weaker global economic data and sharply falling inflation in the UK.

Early in the third quarter of 2012 a further boost to gilt performance was provided in the form of fresh monetary stimulus by the Bank of England (BoE), increasing the Asset Purchase target from £325 billion to £375 billion. This was accompanied by the launch of new initiatives to support the banking system and revive credit growth. These came in the form of additional liquidity measures to support UK banks, combined with a 'funding for lending' scheme providing banks with longer-term funds at below-market rates to support lending to UK businesses. The third quarter proved to be a volatile one for government bonds, with two-year yields hitting record lows below 0.1%, before subsequently almost doubling as risk appetite returned after European Central Bank (ECB) president Draghi promised that the central bank would take whatever action was necessary to preserve the single currency. UK Index-linked gilts suffered as investors were unsettled by a report from the Consumer Price Advisory Committee (CPAC), set up by the UK's statistics office, in which it outlined potential changes to the way in which inflation is calculated.

Manager's Investment Report continued

Quarter four 2012, saw conventional UK government bonds fall as investors reacted negatively to news that, with the UK economy still struggling to emerge from recession, the government's finances were in a worse shape than previously assumed. The Office for Budget Responsibility (OBR), which was set up in 2010 to provide independent analysis of the UK's public finances, warned growth was likely to be weaker, and borrowing higher, than it had previously indicated. This triggered a slide in gilt prices, as investors reacted to the prospect that gilt issuance will continue at an elevated pace for the foreseeable future.

At the start of 2013, UK conventional gilt yields rose as equity markets rallied on the successful negotiation of a last-minute deal to avoid an automatic tightening of US fiscal policy, while loose monetary policy in the major developed economies continued to fuel 'risk-on' trades (where risky assets such as equities perform well due to positive investor sentiment). Subsequently, an inconclusive outcome to the Italian elections and the onset of the Cypriot banking crisis triggered a rally in the gilt market as investors looked for safe haven assets.

Domestically, the gilt market largely ignored Moody's decision to downgrade the UK's Sovereign credit rating, as the announcement had been widely anticipated. The appointment of a new governor for the BoE, Mark Carney, raised the prospect of additional measures to boost the economy while Monetary Policy Committee officials confirmed that further quantitative easing had not been ruled out. The immediate outlook for the UK economy worsened as the OBR downgraded its growth forecast from 1.2% to 0.6% for 2013. Concerns that the US Federal Reserve could be considering withdrawing some of the monetary stimulus it offers, caused gilts to sell off into the end of the review year, leaving 10 year gilt yields approximately a mere 0.1% higher than they started the review year.

Index-linked gilts significantly outperformed conventional issues over the year under review, with 10-year yields ending 0.3% lower. The catalyst came in January 2013 with the unexpected announcement that the methodology for calculating the Retail Price Index (RPI) was to remain unchanged. The UK's statistics office decided to reject advice from CPAC which had argued the methodology used to calculate the RPI be brought more closely into line with the Consumer Price Index (CPI). Investors, who had shunned the market in the expectation that future returns on Index-linked gilts would be substantially lower if this proposal had been accepted, returned.

Trust Review

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

During the review year there were 33 gilt auctions and two syndications, which raised a total of £114.25 billion for government funding. Three new bonds were issued: two by auction, the 1¾% Treasury Gilt 2022 in June 2012 and the 1¼% Treasury Gilt 2018 in February 2013, and one by syndication, the 3¼% Treasury Gilt 2044 in October 2012. The second syndication was a tap of the 3¼% Treasury Gilt 2044 in January 2013. Two bonds redeemed over the course of the year, the 5¼% Treasury Gilt June 2012 and the 4½% Treasury Gilt March 2013. Each auction, syndication and redemption resulted in a change to the constituent weightings of the benchmark Index and required the Trust to be rebalanced in line with the revised Index distribution.

The Trust experienced net negative cash flow during the year. The cash flows were used to adjust the Trust's holdings in such a way so as to ensure the Trust maintained the Index distribution at all times.

Outlook

Looking ahead, advanced economies still have obstacles to clear, with debt problems likely to weigh on growth in both the short and medium-term. Advanced economy growth is expected to remain barely positive and insufficient to address medium-term fiscal concerns. However, easier credit conditions are expected to result in a modest increase in UK consumer spending towards the end of the year. Carney's arrival at the BoE and how he will exert his influence on policy going forward, especially in light of his loose monetary views in the face of low inflation, will be closely followed.

Current global growth is steady but low. Whilst there has been more encouraging economic data flows from the US, the inflationary pressure has eased across most developed markets which provides an ongoing supportive environment for central bank stimulus. As such, we expect central bank support to continue for some time, with little chance of tightening monetary policy. Sovereign bonds have continued to benefit from high levels of liquidity, low inflation and the promise to keep interest base rates at close to zero for the foreseeable future and had been largely range-bound. The recent sharp move higher in yields was not likely before the Federal Reserve signalled it was preparing to taper Quantitative Easing, though markets continue to remain vulnerable to growth disappointment and any resurgence in European sovereign concerns.

Legal & General Investment Management Limited
(Investment Adviser)
17 June 2013

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.

Significant Changes

New Unit Classes: I-Class and F-Class

With effect from 19 December 2012, the Trust launched a new I-Class and F-Class, with distribution and accumulation units available. The existing distribution and accumulation units were reclassified as M-Class.

F-Class units are only available for investment through a financial adviser.

Change in Annual Management Charges

With effect from 1 April 2013, the management charge for M-Class & I-Class units have been reduced from 0.20% to 0.15%.

Minimum Investment Amounts

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

M-Class	£1,000,000
I-Class	£1,000,000
F-Class	£500

In addition, monthly contributions can be made into the F-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.

Manager

Legal & General (Unit Trust Managers) Limited
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Call charges will vary. We may record and monitor calls.

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