

Legal & General Mixed Investment Fund

**Annual Manager's
Short Report
for the year ended
30 September 2013**



Investment Objective and Policy

The Fund aims to provide long-term growth of both capital and income by investing in a broad range of UK and overseas companies' shares and in fixed interest securities.

Change to Investment Objective (with effect from 23 September 2013).

The Fund aims to provide long-term growth of both capital and income.

The Fund will invest between 40 - 85% in a broad range of UK and overseas companies' shares with the balance predominantly in fixed interest securities. Exposure to these asset classes will be achieved generally through investment in collective investment schemes but may also be achieved by investing directly in assets. At times the Fund may be fully invested in collective investment schemes only or directly invested only. The collective investment schemes invested in may include those managed or operated by Legal & General. The Fund may also invest in other transferable securities, other collective investment schemes, money market instruments, deposits, cash and near cash. The Fund will use derivatives for efficient portfolio management purposes only.

Risk Profile

Credit risk	<p>This Fund is invested in financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations.</p> <p>This risk is managed by monitoring the financial stability of investments and companies, via credit ratings.</p>
Market risk	<p>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.</p>
Currency risk	<p>This Fund is invested in overseas financial securities. The performance of the Fund may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.</p>
Interest rate risk	<p>This Fund is invested in interest bearing securities. The performance of the Fund may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.</p>

Fund Facts

Period End Dates for Distributions:		31 Mar, 30 Sep
Distribution Dates:		31 May, 30 Nov
Ongoing Charges Figures:	30 Sep 13	30 Sep 12
A-Class	1.68%	1.71%
R-Class	1.68%	1.71%
I-Class*	0.79%	—
F-Class**	1.18%	—

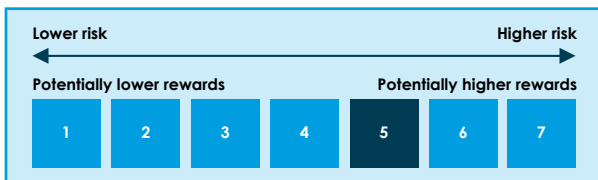
* I-Class units were launched on 31 October 2012.

** F-Class units were launched on 19 December 2012.

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, 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.

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 has moved up and down in the past.
- This Fund is in category five because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. Company shares and sub-investment grade bonds generally provide higher rewards and higher risks whereas investment grade bonds generally provide lower rewards and lower risks.
- 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.

Fund Performance

Accounting Date	Net Asset Value Of Fund	Net Asset Value Per Unit	Number Of Units In Issue
30 Sep 11			
A-Class			
Distribution Units	£1,352,790	141.21p	957,997
Accumulation Units	£411,780,606	175.70p	234,370,049
R-Class			
Accumulation Units	£3,407,765	175.70p	1,939,572
30 Sep 12			
A-Class			
Distribution Units	£1,317,110	155.37p	847,700
Accumulation Units	£433,412,235	198.29p	218,569,658
R-Class			
Accumulation Units	£3,479,217	198.29p	1,754,568
30 Sep 13			
A-Class			
Distribution Units	£1,576,057	171.90p	916,861
Accumulation Units	£458,411,876	222.55p	205,985,433
R-Class			
Accumulation Units	£3,488,536	222.54p	1,567,578
I-Class*			
Distribution Units	£1,097	172.21p	637
Accumulation Units	£2,027,107	224.51p	902,897
F-Class**			
Accumulation Units	£1,097	223.88p	490

* There are no prior year comparatives for the I-Class which launched on 31 October 2012.

** There are no prior year comparatives for the F-Class which 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.

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

Distribution Information

A-Class

The distribution payable on 30 November 2013 is 1.5486p net per unit for distribution units and 1.9879p net per unit for accumulation units.

R-Class

The distribution payable on 30 November 2013 is 1.9879p net per unit for accumulation units.

I-Class

The distribution payable on 30 November 2013 is 2.3186p net per unit for distribution units and 2.9867p net per unit for accumulation units.

F-Class

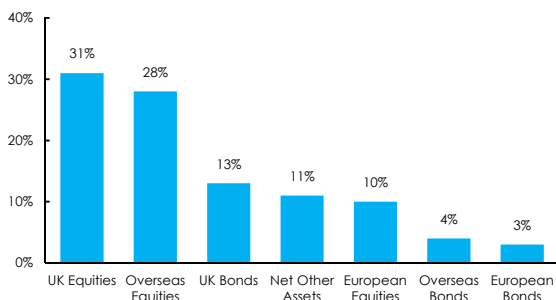
The distribution payable on 30 November 2013 is 2.8836p net per unit for accumulation units.

Portfolio Information

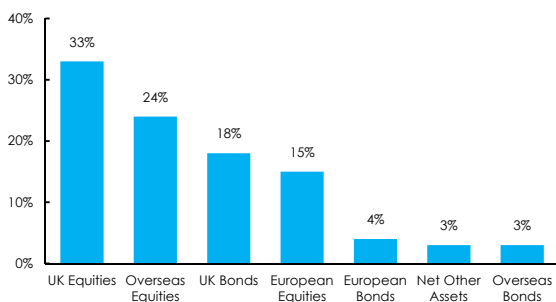
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 30 September 2013		Top 10 Holdings at 30 September 2012	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC Holdings	1.96%	Aviva Investors Global Currency Hedged Bond Fund	2.12%
Vodafone Group	1.67%	Royal Dutch Shell 'B'	2.07%
BP	1.64%	BP	1.84%
Royal Dutch Shell 'B'	1.63%	HSBC Holdings	1.66%
GlaxoSmithKline	1.13%	Vodafone Group	1.66%
Rio Tinto	0.91%	Aviva Investors UK Smaller Companies Fund	1.56%
British American Tobacco	0.84%	Aviva Investors Emerging Countries Equity Fund	1.50%
BG Group	0.81%	GlaxoSmithKline	1.46%
AstraZeneca	0.78%	Treasury 2% 22/01/2016	1.43%
Treasury 1% 07/09/2017	0.75%	Treasury 1.75% 02/01/2017	1.16%

Fund Holdings as at 30 September 2013



Fund Holdings as at 30 September 2012



Unit Price Range and Net Revenue

A-Class Units

Year	Highest Price	Lowest Price	Net Revenue
Distribution Units			
2008	149.40p	104.00p	2.6496p
2009	141.70p	101.00p	2.3004p
2010	157.70p	134.80p	1.9237p
2011	160.20p	137.20p	2.2406p
2012	160.40p	145.50p	2.4912p
2013 ⁽²⁾	180.60p	161.10p	2.5041p
Accumulation Units			
2008	175.50p	124.70p	3.1266p
2009	173.10p	121.10p	2.7732p
2010	195.20p	165.50p	2.3574p
2011	199.40p	172.40p	2.7825p
2012	204.40p	183.90p	3.1402p
2013 ⁽²⁾	231.80p	205.20p	3.2071p

R-Class Units

Year	Highest Price	Lowest Price	Net Revenue
Accumulation Units			
2009 ⁽¹⁾	173.10p	121.10p	2.7732p
2010	195.20p	165.50p	2.3574p
2011	199.40p	172.40p	2.7825p
2012	204.40p	183.90p	3.1402p
2013 ⁽²⁾	231.80p	205.20p	3.2071p

⁽¹⁾ From 23 February 2009.

⁽²⁾ The above tables show the highest and lowest prices to 30 September 2013 and the net revenue per unit to 30 November 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.

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

Unit Price Range and Net Revenue continued

I-Class Units*

Year	Highest Price	Lowest Price	Net Revenue
Distribution Units			
2012 ⁽¹⁾	160.80p	154.50p	—
2013 ⁽³⁾	181.10p	161.40p	4.2542p
Accumulation Units			
2012 ⁽¹⁾	204.70p	196.70p	—
2013 ⁽³⁾	233.10p	205.60p	5.4505p

F-Class Units**

Year	Highest Price	Lowest Price	Net Revenue
Accumulation Units			
2012 ⁽²⁾	204.50p	203.40p	—
2013 ⁽³⁾	232.50p	205.30p	4.7509p

* There are no prior year comparatives for the I-Class which launched on 31 October 2012.

** There are no prior year comparatives for the F-Class which launched on 19 December 2012.

⁽¹⁾ The above table shows the highest and lowest prices from 31 October 2012 to 31 December 2012.

⁽²⁾ The above table shows the highest and lowest prices from 19 December 2012 to 31 December 2012.

⁽³⁾ The above tables show the highest and lowest prices to 30 September 2013 and net revenue per unit to 30 November 2013.

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

Manager's Investment Report

During the year under review, the Fund's A-Class accumulation units rose by 12.15% as its equity and fixed-income investments rose in value. The Fund underperformed its peer group as funds within the Investment Management Association Mixed Investment sector delivered a mean (average) return of 13.37%

(Source: Lipper Hindsight).

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Market/Economic Review

Global shares surged as demand for riskier assets continued to be swelled by extremely loose monetary policy around the world and a steady improvement in economic data. Shares began the year under review positively, aided further by strong corporate results, especially in the US. They came off the boil briefly after the head of the US Federal Reserve (Fed) indicated stronger economic data may soon lead to the withdrawal of some of the extraordinary policy measures that have been supporting financial markets in recent years. However, much of the lost ground was recovered after the Fed decided to leave monetary stimulus intact after all. Japanese and European equity markets produced an especially strong showing. The Japanese stock market responded positively to signs the country's economy was on the mend following aggressive intervention by authorities there. UK and continental European equities also made impressive progress as economic data picked up and as worries about the Eurozone crisis eased.

Gilt prices fell in tandem with US Treasuries as markets reacted to strengthening economic activity both at home and abroad. The slide in safe-haven government bonds such as gilts accelerated when the Fed warned in early summer it was considering tightening monetary policy by scaling back bond purchases. Gilt prices fell further after the Bank of England (BoE) decided against expanding its gilt-purchase programme. However, investors reacted gleefully to September's news that the Fed had decided to maintain monthly bond purchases at their current level after ten-year treasury yields had risen to a two-year high. Chairman Ben Bernanke suggested the sharp rise in market interest rates had done much of the Fed's work for it. He added that uncertainty over the economic impact of an impasse over the country's fiscal position was another reason to proceed with caution. The Fed's decision to hang-fire caused investors to reassess the outlook for UK rates too. BoE Governor Mark Carney's August 2013 prediction that rates would stay low for longer than the market expected suddenly appeared more plausible.

Corporate bonds delivered positive returns as strong global economic data and loose monetary policy fuelled investors' risk appetite, in turn causing credit spreads to tighten. Bonds issued by financial companies outperformed as government debt of so-called

Manager's Investment Report continued

'peripheral' Eurozone countries rallied. As a result, fears that many institutions were facing further write-offs on their holdings of such debt receded.

Fund Review

Asset allocation within UK fixed income, especially the Fund's sizeable overweight position in UK corporate bonds, weighed on relative performance.

The Fund's overweight position in equities, especially UK stocks, and its corresponding underweight position in alternatives and cash, was profitable. However, at the same time, positioning within international equity markets, notably the Fund's underweight exposure to European shares, and overweight to Asia-Pacific, detracted from performance.

As for stock selection, both UK and European equity portfolios generated strong performance.

Over the course of the year, the Fund's exposure to equities was increased to reflect the view that the rally in share prices was set to continue with the returns available from other asset classes still so low. Within equities the Fund's exposure to European markets was raised in the belief aggressive action by the European Central Bank meant the risk of a renewed crisis within the Eurozone had been significantly reduced, if not entirely eliminated. The allocations to US and Japanese shares were also increased, while we trimmed allocations to UK, Asia-Pacific and emerging markets. Increased exposure to equities was funded via reduced positions in fixed income.

With effect from 23 September 2013, the Investment Adviser for the Fund ceased being Aviva Investors Global Services Limited and is now managed solely by Legal & General Investment Management Limited.

Aviva Investors Global Services Limited

(Investment Adviser)

28 October 2013

Outlook

Over the course of September, with the migration of management to Legal & General Investment Management, the portfolio was adjusted. This process included disinvesting from Aviva Investors' collective vehicles and an unwinding of derivative positions.

The economic recovery in developed markets is continuing, as the impact of the credit crisis fades. Growth appears to be increasingly self-sustaining, with both global retail sales and industrial production on a stable growth path. Ongoing economic growth will in general be positive for risky assets, including equities. Growth is still being held back by high debt levels and deleveraging of the private sector and austerity of the public sector. Given the sluggish path of the recovery and the lack of inflationary pressures, central banks are likely to remain accommodative for a while and will normalise their policy only gradually.

Manager's Investment Report continued

Monetary policy will likely remain a supportive factor for markets over the coming months.

While tail risks (the probability of rare events taking place that could impact a portfolio of investments) seem to have reduced more recently, there remain a number of concerns against our relatively benign central outlook over the coming quarters.

Especially, we find that monetary policy remains a key driver of asset markets. While a gradual recovery in policy rates is now 'priced into' bond markets, many other markets may still prove to be sensitive to a future change in US monetary policy. Emerging markets had suffered from concerns of tighter market liquidity earlier this year - while we feel that they now present a value case, there remain concerns about the recent build-up of debt in selected countries. The Eurozone crisis, geopolitical risks in the middle east and political risks in the US are other current issues that need to be monitored carefully.

Fund positioning is broadly aligned with our relatively accommodative central outlook. We currently have higher allocations to equities and alternatives, and less exposure to nominal bonds and credit. We like emerging market assets such as emerging market equities and emerging market debt, given current valuations and to balance developed market risks. Finally, we find that markets are somewhat complacent to the range of tail risks discussed above and we use derivatives to manage and control the fund's risk level and exposures.

Legal & General Investment Management Limited
(Investment Adviser)
28 October 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.

Significant Changes

New Unit Classes: I-Class and F-Class

With effect from 31 October 2012, the Fund launched a new I-Class with distribution and accumulation units available.

With effect from 19 December 2012, the Fund launched a new F-Class with accumulation units available only.

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

Change to Investment Objective (with effect from 23 September 2013).

The Fund aims to provide long-term growth of both capital and income.

The Fund will invest between 40 - 85% in a broad range of UK and overseas companies' shares with the balance predominantly in fixed interest securities. Exposure to these asset classes will be achieved generally through investment in collective investment schemes but may also be achieved by investing directly in assets. At times the Fund may be fully invested in collective investment schemes only or directly invested only. The collective investment schemes invested in may include those managed or operated by Legal & General. The Fund may also invest in other transferable securities, other collective investment schemes, money market instruments, deposits, cash and near cash. The Fund will use derivatives for efficient portfolio management purposes only.

Change to Investment Adviser

With effect from 1 October 2013, the Investment Adviser of the Fund will change from Aviva Investors Global Services Limited to Legal & General Investment Management Limited.

Change to Annual Management Charge

With effect from 1 October 2013, the annual management charge fee for I-Class units has been reduced from 0.75% to 0.30%.

Minimum Investment Amounts

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

A-Class	£20
R-Class	£20
I-Class	£1,000,000
F-Class	£500

In addition, monthly contributions can be made into the A-Class, R-Class and F-Class, with a minimum amount of £20 per month.

Other Information

The information in this report is designed to enable unitholders to understand how the Fund 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 Fund can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

Manager

Legal & General (Unit Trust Managers) Limited

Registered in England No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

National Westminster Bank Plc

Trustee and Depositary Services

135 Bishopsgate

London EC2M 3UR

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

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

Legal & General
(Unit Trust Managers) Limited
Registered in England No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
MIX1113

