

Legal & General Mixed Investment 0-35% Fund

**Annual Manager's Report**  
**for the year ended**  
**31 July 2023**





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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 provide growth. The Fund aims to achieve capital growth in excess of the Bank of England Base Rate, the "Benchmark". This objective is before the deduction of any charges and measured over rolling three year periods.

Whilst the Fund aims to achieve its objective, there is no guarantee that this will be achieved over that period or any other period and capital invested in the Fund is at risk.

The Fund is actively managed and will have exposure to shares in companies, bonds (both corporate and government), money market instruments (such as Treasury bills), cash, deposits and indirectly to property and alternative asset classes (such as commodities). The shares in companies and bonds may represent all economic sectors and geographical areas.

The Fund will have higher exposure to bonds and money market instruments than to shares in companies. The Fund will have exposure of up to 35% to shares in companies and at least 45% to money market instruments and bonds with an investment grade rating.

To obtain exposure to shares in companies, bonds, money market instruments and cash, the Manager may invest directly and/or in collective investment schemes (both active and Index tracker) including those which are operated by the Manager or an associate of the Manager. At times, the Fund may be fully invested in collective investments schemes only or direct investments only.

The Fund may only use derivatives for Efficient Portfolio Management purposes.

## Manager's Investment Report

During the year under review, the published price of the Fund's I-Class accumulation units increased by 0.51%. The UK base interest rate rose from 0.125% to 5.25% during the year under review, and the Fund's peer group, the Investment Association Mixed Investment 0-35% Sector delivered a return of -2.14% (Source: Lipper Hindsight).

**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

Over the year under review, inflationary pressures and tighter monetary policy continued to dominate the thoughts of market participants. Meanwhile, fears of an economic slowdown remain at the forefront of the minds of investors.

In the US, the Federal Reserve (Fed) has continued with its monetary tightening. However, having raised interest rates from near zero to between 5.00% and 5.25% in just over a year, the Fed paused its hiking in June. However, it got back to its rate-hiking work in July, lifting rates by a further 0.25% to between 5.25% and 5.50%, their highest level in 22 years. Annualised US inflation has fallen steadily over the past 12 months but ticked marginally upwards towards the end of the reporting year; it sat at 3.20% in July.

The Bank of England (BoE) continued to raise rates during the 12 months, hitting a heady 5.25% very shortly after the end of the reporting year – its 14th consecutive hike and taking rates to their highest level since 2008. Meanwhile, inflation has remained stubbornly high but towards the end of the year there were signs of easing price pressures; UK annualised inflation fell by more than expected to 7.90% in June, down from 8.70% in May.

## Manager's Investment Report continued

In September, the first and last mini budget of UK Chancellor Kwasi Kwarteng's tenure prompted Gilt yields to rise and Sterling to fall to its lowest level versus the US Dollar in almost 40 years. Kwarteng's tenure proved to be short-lived, while Prime Minister Liz Truss resigned after just 49 days in office. Rishi Sunak was chosen by Conservative MPs to replace her, making him the UK's third premier in just two months. The prospect of more fiscally responsible governance saw Gilt yields retreat significantly from their September highs. However, with inflation still stubbornly high and seemingly no end in sight for the BoE's rate-hiking cycle, yields rose to hit those same heady heights late on in the year.

In Europe, the European Central Bank (ECB) continued to raise rates over the year; having made 50 basis-point hikes in December, February and March, it then raised rates by 25 basis points in May, June and July to take rates to 4.25%, matching the ECB's 2001 all-time high. However, slowing inflation in Germany and France, coupled with the region at large, has fed hopes that rate rises will soon be at an end. These hopes were encouraged by comments from ECB President Christine Lagarde, who said that the bank has "an open mind as to what the decisions will be in September and subsequent meetings".

The days of widespread central-bank asset purchasing look numbered, with the Bank of Japan seemingly the last bastion of such a policy, and even it intervened midway through the year to allow the 10-year government bond greater yield move freedom. It then tweaked its yield curve control once again in July. The policy, in place since 2016, limited the movement of the 10-year bond yield to 0.50%; its easing to a 1.00% band is expected to herald the very gradual unwinding of a long year of ultra-loose monetary policy. Japanese inflation rose to 3.30% in June, the first time it has outpaced US inflation since late 2015.

Elsewhere, Silicon Valley Bank was a notable US casualty of the banking woes that reared their heads in late February, although contagion risk seemed to be well contained. Meanwhile, Swiss regulators helped usher through a speedy takeover of the beleaguered Credit Suisse, with its rival UBS stepping in to rescue the challenged business in a cut-price all-share deal.

Meanwhile, the effects of Russia's invasion of Ukraine in February 2022 continued to be seen well into the year, with lingering fears of a global geopolitical crisis while the ramifications for the energy sector, and energy consumers, continued to be felt keenly.

### Fund Review

The Fund delivered a positive return over the year, with the main positive contributions to performance coming from equities specifically North America, European and Japanese equities. This was slightly offset by negative performance from UK and global credit.

In the third quarter of 2022, we increased our allocation to the Pound versus the US Dollar. We saw an extremely large drop in the Pound following the mini budget announcement from Kwasi Kwarteng. This was eventually followed by an announcement of a new asset purchasing programme from the Bank of England (BoE). We expected this step given the severe illiquidity exhibited in the UK sovereign bond market at the time and saw this to be an attractive level to buy Sterling given the support from BoE and the impetus for the new UK government to factor in market reaction into future fiscal policy decisions. In the fourth quarter, we reversed this and reduced exposure to the Pound in favour of the US Dollar as we saw the Pound appreciate to levels where we were comfortable reducing the exposure, while the Dollar had weakened over the same year.

## Manager's Investment Report continued

In February 2023, we reduced our exposure to global investment grade (IG) credit and then later increased our duration exposure. Both changes were made largely based on the valuations for these asset classes. However, following the emergence of the banking-related issues, we saw bond yields fall sharply, and credit spreads widen to more attractive levels, so we reversed the changes from earlier in the quarter. We will look for more attractive levels to increase our duration exposure again, given we believe duration will help insulate portfolios in the event of a developed market recession, which we are forecasting.

In the second quarter of 2023, we added to overall portfolio duration via long maturity US government bonds, which we considered attractively priced relative to shorter maturity treasuries. During the quarter, we bought UK Gilts versus German Bunds and US Treasuries as Gilt yields rose considerably more than other markets. This reflects our outlook for UK inflation, which we expect to move towards that of other developed economies over the medium term.

### Outlook

Our outlook remains largely unchanged; we maintain a negative view on risk assets including both equities and credits. While inflation is now declining in many regions, absolute levels remain elevated relative to central bank targets. Policymakers have repeatedly found it necessary to hike rates further than expected by markets in order to combat persistent inflationary pressures. Although the effects of monetary policy operate with “long and variable lags” we believe that the globally synchronised tightening of credit conditions will lead to recession, which we view as an almost necessary condition to bring inflation at the global level back under control. The broad rally in risk assets over recent quarters has taken asset prices to levels which we do not believe reflect our baseline forecast for an economic downturn.

We believe central banks will succeed in bringing inflation under control, even at the cost of recession. This underpins our positive outlook for government bonds as the slowdown in both growth and inflation will allow central banks to cut rates. Within this view we have upgraded our outlook for UK nominal Gilts which offer a substantial yield spread over Euro area sovereigns and we see the market's UK inflation expectations as materially above our own forecast.

Legal & General Investment Management Limited  
(Investment Adviser)  
22 August 2023

## Manager's Investment Report continued

### **Important Note from the Manager**

On 5 May 2023, the WHO Director-General concurred with the advice offered by the International Health Regulations (2005) ("IHR") Emergency Committee regarding the Coronavirus 2019 disease (COVID-19) pandemic and determined that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern ("PHEIC").

The Manager continues to monitor the COVID-19 pandemic on an on-going basis.

In response to events in Eastern Europe, the Manager is closely monitoring financial markets and any potential liquidity and volatility risks which may have an impact on the Fund.

Legal & General (Unit Trust Managers) Limited  
August 2023

## Authorised Status

### Authorised Status

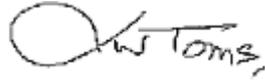
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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 November 2023

# Statement of Responsibilities

## Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Mixed Investment 0-35% Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), 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 Mixed Investment 0-35% Fund ("the Fund") for the year ended 31 July 2023**

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 Investor Services Limited  
UK Trustee and Depositary Services  
10 November 2023

# Portfolio Statement

## Portfolio Statement as at 31 July 2023

All investments are in investment grade securities or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 July 2022.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>CORPORATE BONDS</b>			
<b>— 0.81% (0.75%)</b>			
USD2,977,000	Export-Import Bank of Korea 0.75% 21/09/2025	2,096,725	0.23
GBP6,000,000	Nederlandse Waterschapsbank 0.25% 15/12/2025	5,296,764	0.58
		<b>7,393,489</b>	<b>0.81</b>
<b>GOVERNMENT BONDS</b>			
<b>— 10.33% (11.69%)</b>			
EUR10,000,000	Hong Kong Government International Bond 0.00% 24/11/2026	7,608,479	0.83
AUD6,330,000	New South Wales Treasury 4.75% 20/02/2035	3,254,159	0.36
GBP6,000,000	NRW Bank 0.375% 16/12/2024	5,581,908	0.61
USD7,600,000	Province of Alberta Canada 1.3% 22/07/2030	4,794,380	0.53
EUR7,437,000	Province of Quebec Canada 3% 24/01/2033	6,159,345	0.67
AUD6,331,000	Queensland Treasury 4.5% 22/08/2035	3,193,905	0.35
GBP8,330,246	United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	16,335,766	1.79
GBP31,131,270	United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	47,434,065	5.19
		<b>94,362,007</b>	<b>10.33</b>
<b>SUPRANATIONAL — 1.67% (1.04%)</b>			
GBP5,470,000	Asian Development Bank 1.125% 10/06/2025	5,045,594	0.56
GBP6,000,000	Council of Europe Development Bank 0.375% 15/12/2025	5,319,000	0.58
GBP5,000,000	International Finance 4.125% 28/11/2025	4,846,940	0.53
		<b>15,211,534</b>	<b>1.67</b>
<b>FUNDS INVESTED IN SHARES</b>			
<b>— 32.65% (30.63%)</b>			
33,440,399	Legal & General (N) Tracker Trust 'I' Inc <sup>1</sup>	64,439,648	7.05
11,796,519	Legal & General European Index Trust 'I' Inc <sup>1</sup>	42,597,232	4.66
32,136,514	Legal & General Global Emerging Markets Index Fund 'L' Inc <sup>1</sup>	19,217,635	2.10
28,694,646	Legal & General Global Infrastructure Index Fund 'L' Inc <sup>1</sup>	19,589,835	2.14
34,893,982	Legal & General Global Real Estate Dividend Index Fund 'L' Inc <sup>1</sup>	20,043,103	2.19
36,768,749	Legal & General Japan Index Trust 'I' Inc <sup>1</sup>	22,042,865	2.41
7,936,635	Legal & General Pacific Index Trust 'I' Inc <sup>1</sup>	9,849,364	1.08

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>FUNDS INVESTED IN SHARES</b>			
<b>— (cont.)</b>			
63,313,370	Legal & General UK Mid Cap Index Fund 'L' Inc <sup>1</sup>	31,985,915	3.50
9,606,641	Legal & General US Index Trust 'I' Inc <sup>1</sup>	68,687,484	7.52
		<b>298,453,081</b>	<b>32.65</b>
<b>FUNDS INVESTED IN INTEREST BEARING SECURITIES</b>			
<b>— 49.79% (48.81%)</b>			
138,244,358	Legal & General Active Global High Yield Bond Fund 'I' Inc <sup>1</sup>	51,233,359	5.61
137,799,213	Legal & General Active Sterling Corporate Bond Fund 'I' Inc <sup>1</sup>	82,169,671	9.00
70,869,020	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc <sup>1</sup>	31,883,972	3.49
107,480,918	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc <sup>1</sup>	42,755,909	4.68
59,772,777	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc <sup>1</sup>	29,360,388	3.21
653,271	Legal & General India INR Government Bond 'USD' Inc UCITS ETF	4,456,430	0.49
140,342,896	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	65,750,647	7.20
20,267,543	Legal & General Sterling Corporate Bond Index Fund 'L' Inc <sup>1</sup>	9,556,146	1.05
107,880,950	LGIM Global Corporate Bond Fund 'B' Acc <sup>1</sup>	137,548,211	15.06
		<b>454,714,733</b>	<b>49.79</b>
<b>FORWARD CURRENCY CONTRACTS</b>			
<b>— 0.50% (0.24%)</b>			
GBP(5,134,192)	Sold Sterling		
EUR5,900,000	for Euro (Expires 02/08/2023) <sup>1</sup>	(67,837)	(0.01)
CHF(4,620,000)	Sold Swiss Franc		
EUR4,768,314	for Euro (Expires 02/08/2023) <sup>1</sup>	(42,961)	—
CHF(4,618,625)	Sold Swiss Franc		
EUR4,828,531	for Euro (Expires 18/10/2023) <sup>1</sup>	(9,105)	—
USD(62,900,000)	Sold US Dollars		
GBP50,192,872	for Sterling (Expires 02/08/2023) <sup>1</sup>	1,266,302	0.14
USD(61,000,000)	Sold US Dollars		
GBP48,662,185	for Sterling (Expires 02/08/2023) <sup>1</sup>	1,213,524	0.13
USD(3,086,725)	Sold US Dollars		
GBP2,400,000	for Sterling (Expires 02/08/2023) <sup>1</sup>	(999)	—
USD(3,318,290)	Sold US Dollars		
GBP2,670,661	for Sterling (Expires 02/08/2023) <sup>1</sup>	89,539	0.01
USD(3,031,710)	Sold US Dollars		
GBP2,439,825	for Sterling (Expires 02/08/2023) <sup>1</sup>	81,618	0.01
EUR(17,632,430)	Sold Euro		
GBP15,367,264	for Sterling (Expires 02/08/2023) <sup>1</sup>	226,224	0.02
USD(63,000,000)	Sold US Dollars		
GBP50,290,062	for Sterling (Expires 02/08/2023) <sup>1</sup>	1,285,707	0.14
EUR(19,267,570)	Sold Euro		
GBP16,791,032	for Sterling (Expires 02/08/2023) <sup>1</sup>	245,891	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>FORWARD CURRENCY CONTRACTS</b>			
<b>— (cont.)</b>			
USD(4,650,000) GBP3,669,419	Sold US Dollars for Sterling (Expires 02/08/2023) <sup>1</sup>	52,431	0.01
EUR(10,413,754) GBP8,962,826	Sold Euro for Sterling (Expires 18/10/2023) <sup>1</sup>	(11,896)	—
EUR(20,386,246) GBP17,535,097	Sold Euro for Sterling (Expires 18/10/2023) <sup>1</sup>	(34,061)	—
USD(46,859,307) GBP36,457,804	Sold US Dollars for Sterling (Expires 18/10/2023) <sup>1</sup>	16,460	—
USD(34,618,728) GBP26,966,203	Sold US Dollars for Sterling (Expires 18/10/2023) <sup>1</sup>	(96,383)	(0.01)
USD(53,491,867) GBP41,555,870	Sold US Dollars for Sterling (Expires 18/10/2023) <sup>1</sup>	(43,455)	(0.01)
USD(53,330,097) GBP41,491,463	Sold US Dollars for Sterling (Expires 18/10/2023) <sup>1</sup>	17,942	—
EUR(4,231,072) HUF1,602,400,000	Sold Euro for Hungarian Forint (Expires 02/08/2023) <sup>1</sup>	(84,593)	(0.01)
EUR(4,068,897) HUF1,602,400,000	Sold Euro for Hungarian Forint (Expires 18/10/2023) <sup>1</sup>	(17,999)	—
EUR(2,682,234) NOK31,950,000	Sold Euro for Norwegian Dollar (Expires 02/08/2023) <sup>1</sup>	154,814	0.02
EUR(2,682,126) NOK31,950,000	Sold Euro for Norwegian Dollar (Expires 02/08/2023) <sup>1</sup>	154,907	0.02
EUR(5,710,727) NOK63,900,000	Sold Euro for Norwegian Dollar (Expires 18/10/2023) <sup>1</sup>	4,270	—
USD(12,540,177) NZD20,213,149	Sold US Dollars for New Zealand Dollar (Expires 02/08/2023) <sup>1</sup>	13,412	—
AUD(12,820,000) USD8,598,520	Sold Australian Dollar for US Dollars (Expires 02/08/2023) <sup>1</sup>	(10,357)	—
NZD(19,889,000) USD12,358,696	Sold New Zealand Dollar for US Dollars (Expires 02/08/2023) <sup>1</sup>	2,065	—
ZAR(19,589,315) USD1,009,190	Sold South African Rand for US Dollars (Expires 02/08/2023) <sup>1</sup>	(72,972)	(0.01)
JPY(761,222,000) USD5,656,920	Sold Japanese Yen for US Dollars (Expires 02/08/2023) <sup>1</sup>	239,922	0.03
GBP(9,798,934) USD12,500,000	Sold Sterling for US Dollars (Expires 02/08/2023) <sup>1</sup>	(75,847)	(0.01)
ZAR(16,330,365) USD841,490	Sold South African Rand for US Dollars (Expires 02/08/2023) <sup>1</sup>	(60,682)	(0.01)
ZAR(16,330,365) USD843,070	Sold South African Rand for US Dollars (Expires 02/08/2023) <sup>1</sup>	(59,453)	(0.01)
ZAR(127,400,000) USD6,565,980	Sold South African Rand for US Dollars (Expires 02/08/2023) <sup>1</sup>	(472,498)	(0.05)
ZAR(16,349,955) USD843,130	Sold South African Rand for US Dollars (Expires 02/08/2023) <sup>1</sup>	(60,264)	(0.01)
JPY(761,222,000) USD5,420,615	Sold Japanese Yen for US Dollars (Expires 18/10/2023) <sup>1</sup>	4,661	—
AUD(12,680,000) USD8,530,495	Sold Australian Dollar for US Dollars (Expires 18/10/2023) <sup>1</sup>	(7,789)	—

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>FORWARD CURRENCY CONTRACTS</b>		
	<b>— (cont.)</b>		
USD(10,080,814)	Sold US Dollars		
ZAR195,500,000	for South African Rand (Expires 02/08/2023) <sup>1</sup>	721,118	0.08
		4,561,656	0.50
	<b>FUTURES CONTRACTS</b>		
	<b>— -0.09% (0.07%)</b>		
(116)	Euro Bond Future Expiry September 2023	(4,932)	—
609	Long Gilt Future Expiry September 2023	777,250	0.09
148	SFE 10 Year Treasury Bond Future Expiry September 2023	(60,038)	(0.01)
83	Ultra 10 Year US Treasury Note Future Expiry September 2023	(9,317)	—
(77)	E-Mini S&P 500 Index Future Expiry September 2023	(705,229)	(0.08)
(31)	E-Mini Utilities Select Sector Future Expiry September 2023	(25,560)	—
(147)	Euro STOXX 50 Index Future Expiry September 2023	(138,695)	(0.01)
(149)	FTSE 100 Index Future Expiry September 2023	(140,642)	(0.02)
(196)	FTSE 250 Index Future Expiry September 2023	7,524	—
(227)	MSCI Emerging Markets Index Future Expiry September 2023	(401,733)	(0.04)
(22)	TOPIX Future Expiry September 2023	(140,725)	(0.02)
		(842,097)	(0.09)
	<b>Portfolio of investments<sup>2</sup></b>	873,854,403	95.66
	<b>Net other assets<sup>3</sup></b>	39,622,321	4.34
	<b>Total net assets</b>	£913,476,724	100.00%

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

<sup>2</sup> Including investment liabilities.

<sup>3</sup> Includes shares in the LGIM Sterling Liquidity Fund Class 1 to the value of £6,246,849 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the year: £82,937,520.

Total sales for the year: £160,404,314.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Mixed Investment 0-35% Fund ('the Fund')

### Opinion

We have audited the financial statements of the Fund for the year ended 31 July 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 20 to 21.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 31 July 2023 and of the net revenue and the net capital losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Fund will continue in operation.

## Independent Auditor's Report continued

### ***Fraud and breaches of laws and regulations – ability to detect***

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Fund’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally nonjudgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## Independent Auditor's Report continued

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

## **Independent Auditor's Report continued**

### ***Manager's responsibilities***

As explained more fully in their statement set out on page 7, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### ***The purpose of our audit work and to whom we owe our responsibilities***

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Archer  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
319 St Vincent Street,  
Glasgow G2 5AS  
10 November 2023

## Financial Statements

### Statement of Total Return for the year ended 31 July 2023

Notes	31/07/23		31/07/22	
	£	£	£	£
<b>Income</b>				
Net capital losses	3	(29,508,783)		(104,934,679)
Revenue	4	35,640,853	32,008,841	
Expenses	5	(3,151,745)	(5,213,812)	
Interest payable and similar charges	7	(10,641)	(611,773)	
<b>Net revenue before taxation</b>		<u>32,478,467</u>	<u>26,183,256</u>	
Taxation	6	(130,161)	(141,536)	
<b>Net revenue after taxation for the year</b>		<u>32,348,306</u>	<u>26,041,720</u>	
Total return before distributions		2,839,523	(78,892,959)	
Distributions	7	(32,459,419)	(26,182,574)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>£(29,619,896)</u>	<u>£(105,075,533)</u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 31 July 2023

	31/07/23		31/07/22	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		1,052,083,635		1,241,292,661
Amounts received on issue of units		161,812,951	50,178,153	
Amounts paid on cancellation of units		(301,671,350)	(159,347,265)	
		<u>(139,858,399)</u>	<u>(109,169,112)</u>	
Dilution levy		—	21,585	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>(29,619,896)</u>	<u>(105,075,533)</u>	
Retained distributions on accumulation units		<u>30,871,384</u>	<u>25,014,034</u>	
<b>Closing net assets attributable to Unitholders</b>		<u>£913,476,724</u>	<u>£1,052,083,635</u>	

## Financial Statements continued

### Balance Sheet as at 31 July 2023

	Notes	31/07/23 £	31/07/22 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		876,710,425	982,370,853
<b>Current assets:</b>			
Debtors	8	3,348,978	6,248,305
Cash and bank balances	9	34,973,733	48,122,677
Cash equivalents	9	6,246,849	21,496,372
<b>Total assets</b>		<b>921,279,985</b>	<b>1,058,238,207</b>
<b>LIABILITIES</b>			
<b>Investment liabilities</b>			
		(2,856,022)	(1,529,335)
<b>Creditors:</b>			
Bank overdrafts	9	(1,648,661)	(1,060,611)
Distributions payable		(409,044)	(319,333)
Other creditors	10	(2,889,534)	(3,245,293)
<b>Total liabilities</b>		<b>(7,803,261)</b>	<b>(6,154,572)</b>
<b>Net assets attributable to Unitholders</b>		<b>£913,476,724</b>	<b>£1,052,083,635</b>

# 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) and amended in June 2017.

## 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. In making this assessment, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity in its assessment of the Fund's ability to meet its liabilities as they fall due for at least the twelve month period from the date the financial statements are signed. Based on this assessment, the Manager deems the basis of preparation appropriate.

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.

Revenue from distribution and accumulation units in Collective Investment Schemes is recognised when the distribution is quoted ex-dividend.

Equalisation on distributions received from Collective Investment Schemes is treated as capital property of the Fund.

Rebates received from underlying Collective Investment Schemes are treated as revenue or capital depending on the treatment of the Manager's fees in the underlying Fund.

Revenue from offshore funds is recognised when it is reported.

Revenue from derivative instruments is treated in accordance with note 2(i).

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.

Where the Fund is substantially invested in permitted collective investment schemes (including exchange traded funds) the maximum amount of management fees chargeable to those schemes will not exceed 0.70% per annum.

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. 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 period. 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.

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 3pm on 31 July 2023, being the last business day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds. The fair value for derivative instruments is the cost of closing out the contract on the last business day of the accounting year.

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 31 July 2023, being the last business day of the accounting year.

#### (i) Derivative Instruments

The Fund may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Fund with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Fund have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

## Notes to the Financial Statements continued

### 3. Net capital losses

	31/07/23	31/07/22
	£	£
The net capital losses during the year comprise:		
Non-derivative securities	(40,405,902)	(87,594,089)
Derivative securities	2,775,402	8,486,658
Forward currency contracts gains/(losses)	6,356,353	(29,092,030)
Currency gains	1,654,251	3,123,928
Management fee rebates	111,113	140,854
Net capital losses	<u>(29,508,783)</u>	<u>(104,934,679)</u>

### 4. Revenue

	31/07/23	31/07/22
	£	£
Bond interest	6,958,623	3,011,967
UK Franked distributions	7,589,807	8,221,077
Interest distributions	19,177,739	19,491,550
Management fee rebates	779,682	988,123
Taxable overseas distributions	552,666	286,346
Futures revenue	175,522	—
Bank interest	406,814	9,778
	<u>35,640,853</u>	<u>32,008,841</u>

### 5. Expenses

	31/07/23	31/07/22
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fees	<u>3,151,745</u>	<u>5,213,812</u>
Total expenses	<u>3,151,745</u>	<u>5,213,812</u>

Audit fees of £13,609 plus VAT of £2,722 have been borne by the Manager out of its Fund Management Fee. In the prior year, the total audit fee was £12,028 plus VAT of £2,406.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	31/07/23	31/07/22
	£	£
Corporation tax	—	—
Irrecoverable income tax	130,161	141,536
Current tax [note 6(b)]	130,161	141,536
Deferred tax [note 6(c)]	—	—
Total taxation	130,161	141,536

#### (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	32,478,467	26,183,256
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2022: 20%)	6,495,693	5,236,651
<b>Effects of:</b>		
Capitalised revenue subject to taxation	22,223	28,171
Interest distributions deductible for tax purposes	(4,999,955)	(3,620,607)
Revenue not subject to taxation	(1,517,961)	(1,644,215)
Irrecoverable income tax	130,161	141,536
Current tax	130,161	141,536

#### (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:

	31/07/23	31/07/22
	£	£
Interim distribution	16,775,655	13,758,565
Final distribution	<u>14,902,164</u>	<u>11,942,115</u>
	31,677,819	25,700,680
Add: Revenue deducted on cancellation of units	2,606,643	735,747
Less: Revenue received on creation of units	<u>(1,825,043)</u>	<u>(253,853)</u>
<b>Distributions for the year</b>	<b>32,459,419</b>	<b>26,182,574</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	10,641	18,922
Futures expense	<u>—</u>	<u>592,851</u>
	<u>32,470,060</u>	<u>26,794,347</u>

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

	31/07/23	31/07/22
	£	£
Net revenue after taxation	32,348,306	26,041,720
Management fee rebates in capital	<u>111,113</u>	<u>140,854</u>
<b>Distributions for the year</b>	<b>32,459,419</b>	<b>26,182,574</b>

### 8. Debtors

	31/07/23	31/07/22
	£	£
Accrued revenue	3,212,530	3,973,781
Amounts receivable for creation of units	15,000	180,001
CIS tax recoverable	23,554	15,677
Management fee rebates	66,372	78,846
Receivable for foreign exchange contracts	31,522	—
Sales awaiting settlement	<u>—</u>	<u>2,000,000</u>
	<u>3,348,978</u>	<u>6,248,305</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	31/07/23	31/07/22
	£	£
Amounts held at futures clearing houses and brokers	7,321,588	3,250,474
Cash and bank balances	27,652,145	44,872,203
Amounts due to futures clearing houses and brokers	—	(172,314)
Bank overdrafts	(1,648,661)	(888,297)
Cash equivalents	<u>6,246,849</u>	<u>21,496,372</u>
Net uninvested cash	<u>39,571,921</u>	<u>68,558,438</u>

### 10. Other creditors

	31/07/23	31/07/22
	£	£
Accrued expenses	230,532	353,292
Amounts payable for cancellation of units	<u>2,659,002</u>	<u>2,892,001</u>
	<u>2,889,534</u>	<u>3,245,293</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 July 2022: 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 10. 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.

As at the balance sheet date, 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 £43,692,720 (31 July 2022: £49,042,076).

## 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 and underlying collective investment schemes that pay interest distributions. 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 directly by this Fund and within each underlying Fund that invests in debt securities, in line with the stated investment objective and policy of the Fund.

As at the balance sheet date, 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 £397,711 (31 July 2022: £342,870). 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
	£'000	rate	rate	interest
31/07/23	£'000	£'000	£'000	£'000
Portfolio	873,854	—	116,967	756,887
Other assets	44,570	41,221†	—	3,349
Other liabilities	(4,947)	(1,649)†	—	(3,298)
<b>Total</b>	<b>913,477</b>	<b>39,572</b>	<b>116,967</b>	<b>756,938</b>

	Total	Floating	Fixed	No
	£'000	rate	rate	interest
31/07/22	£'000	£'000	£'000	£'000
Portfolio	980,843	—	141,846	838,997
Other assets	75,867	69,619†	—	6,248
Other liabilities	(4,626)	(1,061) †	—	(3,565)
<b>Total</b>	<b>1,052,084</b>	<b>68,558</b>	<b>141,846</b>	<b>841,680</b>

† 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.

## 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.

As this Fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

Forward currency contracts were utilised during the current and the preceding year.

As at the balance sheet date, 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 £1,260,523 (31 July 2022: £1,371,801).

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

31/07/23 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(6,240)	6,388	148
Canadian Dollar	38	—	38
Euro	(26,590)	13,624	(12,966)
Hungarian Forint	3,489	—	3,489
Japanese Yen	(3,996)	(141)	(4,137)
New Zealand Dollar	157	—	157
Norwegian Krone	4,926	—	4,926
South Korean Won	325	—	325
Swiss Franc	(4,170)	—	(4,170)
US Dollar	(124,068)	10,206	(113,862)

31/07/22 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(172)	962	790
Canadian Dollar	41	—	41
Euro	(58,427)	37,894	(20,533)
Hungarian Forint	5,507	—	5,507
Japanese Yen	(1,422)	—	(1,422)
New Zealand Dollar	(10,613)	11,014	401
South Korean Won	338	—	338
Swedish Krona	(3,117)	—	(3,117)
Swiss Franc	920	—	920
US Dollar	(145,311)	18,092	(127,219)
Polish Zloty	(2,539)	—	(2,539)
South African Rand	6	9,647	9,653

## 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. Bond holdings with low credit ratings (sub-investment grade) are disclosed in the Portfolio Statement on pages 10 to 13.

As this Fund invests in Collective Investment Schemes, there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

The Fund's holdings in Futures expose the Fund to additional credit risk.

Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions

#### (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.

As at the balance sheet date, the Fund made use of the following derivatives:

##### **Futures (excluding Currency Futures)**

Futures are used to adjust the duration and interest rate risk of the Fund in a cost effective manner. The effect of these instruments was to decrease the exposure of the Fund by £9,509,732 (31 July 2022: decrease the exposure by £9,518,135), representing 1.04% of the net asset value (31 July 2022: -0.90%).

This results in an effective equity exposure at the year end of 96.70% (31 July 2022: 92.32%) of net assets, which means that the gains or losses of the Fund will be 0.9670 (31 July 2022: 0.9232) times the gains or losses if the Fund was fully invested in equities.

# 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 Association in May 2014 and amended in June 2017 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:

<b>31/07/23</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	85,546,668	(1,626,871)
Level 2 - Observable Market Data	791,163,757	(1,229,151)
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>876,710,425</b>	<b>(2,856,022)</b>

<b>31/07/22</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	82,478,537	(1,006,523)
Level 2 - Observable Market Data	899,892,316	(522,812)
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>982,370,853</b>	<b>(1,529,335)</b>

#### 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

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (h) 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
Barclays	46,828,324	210,460
BNP Paribas	52,543,559	1,318,733
Citigroup	137,036,382	(50,903)
Goldman Sachs	24,077,434	(150,388)
HSBC	16,403,777	721,118
Lloyds Bank	18,665,423	(87,743)
Merrill Lynch	48,764,434	1,525,629
Morgan Stanley	60,222,057	891,576
NatWest	36,067,236	259,303
Royal Bank of Canada	5,066,356	(67,837)
Standard Bank	32,611,306	(8,292)
<b>Total</b>	<b>478,286,288</b>	<b>4,561,656</b>

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

The Fund also holds exchange traded derivatives which have minimal Counterparty Risk exposure.

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

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

<b>31/07/23</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Collective Investment Schemes	28,190	—	—	15	0.05	28,205
Debt Securities	54,733	—	—	—	—	54,733
<b>Total</b>	<b>82,923</b>	<b>—</b>	<b>—</b>	<b>15</b>	<b>0.05</b>	<b>82,938</b>

<b>31/07/23</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Collective Investment Schemes	88,156	—	—	(47)	0.05	88,109
Debt Securities	72,295	—	—	—	—	72,295
<b>Total</b>	<b>160,451</b>	<b>—</b>	<b>—</b>	<b>(47)</b>	<b>0.05</b>	<b>160,404</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.01%

<b>31/07/22</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Collective Investment Schemes	13,500	—	—	—	—	13,500
Debt Securities	101,569	—	—	—	—	101,569
<b>Total</b>	<b>115,069</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>115,069</b>

<b>31/07/22</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	13,360	—	—	—	—	13,360
Collective Investment Schemes	179,074	—	—	—	—	179,074
Debt Securities	28,760	—	—	—	—	28,760
<b>Total</b>	<b>221,194</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>221,194</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.03% (31 July 2022: 0.04%).

## 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 47. 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 45. The distributions per unit class are given in the distribution tables on pages 35 and 36. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Accumulation</b>	
Opening Units		100,281,297
Units issued		6,234
Units cancelled		(96,671,822)
Units converted		—
Closing Units		3,615,709

<b>F-Class</b>	<b>Accumulation</b>	
Opening Units		18,696
Units issued		—
Units cancelled		—
Units converted		—
Closing Units		18,696

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	17,563,452	46,316,912
Units issued	4,159,163	3,727,993
Units cancelled	(5,072,344)	(6,972,767)
Units converted	—	—
Closing Units	16,650,271	43,072,138

<b>C-Class</b>	<b>Accumulation</b>	
Opening Units		1,000,908,888
Units issued		223,244,025
Units cancelled		(152,378,752)
Units converted		—
Closing Units		1,071,774,161

<b>D-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	6,911	38,305
Units issued	5,671	4,783
Units cancelled	(5,637)	(9,567)
Units converted	—	—
Closing Units	6,945	33,521

## Notes to the Financial Statements continued

### 14. Unit classes continued

<b>L-Class</b>	<b>Accumulation</b>
Opening Units	167,718,315
Units issued	8,976,666
Units cancelled	(28,397,030)
Units converted	—
Closing Units	148,297,951

### 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.

As at the balance sheet date, the Manager and its associates held 0.00% (0.00% as at 31 July 2022) 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 R-Class accumulation unit was 178.20p. The Net Asset Value per R-Class accumulation unit for the Fund as at 3pm on 7 November 2023 was 176.20p. This represents a decrease of 1.12% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 31 July 2023

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	
			01/08/22	to 31/01/23
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	2.5219	1.5121
Group 2	1.2968	1.2251	2.5219	1.5121
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	3.0515	2.2565
Group 2	—	3.0515	3.0515	2.2565
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	2.6303	2.0218
Group 2	1.5439	1.0864	2.6303	2.0218
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	3.2505	2.4409
Group 2	1.8018	1.4487	3.2505	2.4409
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	1.1426	0.8718
Group 2	0.6434	0.4992	1.1426	0.8718
<b>D-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	0.7713	0.5512
Group 2	0.0597	0.7116	0.7713	0.5512
<b>D-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	0.8933	0.6270
Group 2	0.0932	0.8001	0.8933	0.6270
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/03/23</b>	<b>31/03/22</b>
Group 1	Revenue	Equalisation	1.0005	0.7840
Group 2	0.5915	0.4090	1.0005	0.7840

## Distribution Tables continued

Final Interest distribution in pence per unit			Period	
			01/02/23	to 31/07/23
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	2.3641	—	2.3641	1.4369
Group 2	1.3303	1.0338	2.3641	1.4369
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	2.8867	—	2.8867	2.0510
Group 2	—	2.8867	2.8867	2.0510
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	2.4563	—	2.4563	1.8179
Group 2	1.6267	0.8296	2.4563	1.8179
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	3.0858	—	3.0858	2.2211
Group 2	1.7231	1.3627	3.0858	2.2211
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	1.0877	—	1.0877	0.7943
Group 2	0.7060	0.3817	1.0877	0.7943
<b>D-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	0.7160	—	0.7160	0.4912
Group 2	0.0774	0.6386	0.7160	0.4912
<b>D-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	0.8382	—	0.8382	0.5608
Group 2	0.1344	0.7038	0.8382	0.5608
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/23</b>	<b>30/09/22</b>
Group 1	0.9573	—	0.9573	0.7162
Group 2	0.3932	0.5641	0.9573	0.7162

## Fund Information

The Comparative Tables on pages 37 to 45 give the performance of each active unit 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.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Fund Information continued

### Comparative Tables

#### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	178.25	192.12	176.54
Return before operating charges*	1.55	(11.83)	17.76
Operating charges (calculated on average price)	(1.60)	(2.04)	(2.18)
Return after operating charges*	(0.05)	(13.87)	15.58
Distributions	(4.89)	(2.95)	(2.31)
Retained distributions on accumulation units	4.89	2.95	2.31
Closing net asset value per unit	178.20	178.25	192.12
* after direct transaction costs of:	0.01	—	—

#### Performance

Return after charges	(0.03)%	(7.22)%	8.83%
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#### Other Information

Closing net asset value (£)	6,443,235	178,749,838	285,288,511
Closing number of units	3,615,709	100,281,297	148,498,753
Operating charges <sup>†</sup>	0.93% <sup>^</sup>	1.09%	1.18%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	181.00p	194.70p	192.30p
Lowest unit price	162.60p	171.10p	175.50p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**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	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	190.04	203.70	186.01
Return before operating charges*	1.80	(12.56)	18.76
Operating charges (calculated on average price)	(1.03)	(1.10)	(1.07)
Return after operating charges*	0.77	(13.66)	17.69
Distributions	(5.94)	(4.31)	(3.67)
Retained distributions on accumulation units	5.94	4.31	3.67
Closing net asset value per unit	190.81	190.04	203.70
* after direct transaction costs of:	0.01	—	—

#### Performance

Return after charges	0.41%	(6.71)%	9.51%
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#### Other Information

Closing net asset value (£)	35,673	35,530	106,569
Closing number of units	18,696	18,696	52,317
Operating charges <sup>†</sup>	0.55% <sup>^</sup>	0.55%	0.55%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	193.40p	206.60p	203.90p
Lowest unit price	173.60p	182.30p	185.20p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**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

#### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	158.60	173.82	161.70
Return before operating charges*	1.49	(10.64)	16.25
Operating charges (calculated on average price)	(0.68)	(0.74)	(0.74)
Return after operating charges*	0.81	(11.38)	15.51
Distributions on income units	(5.09)	(3.84)	(3.39)
Closing net asset value per unit	154.32	158.60	173.82
* after direct transaction costs of:	0.01	—	—

#### Performance

Return after charges	0.51%	(6.55)%	9.59%
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#### Other Information

Closing net asset value (£)	25,694,966	27,856,105	29,680,793
Closing number of units	16,650,271	17,563,452	17,075,820
Operating charges <sup>†</sup>	0.44% <sup>^</sup>	0.44%	0.44%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	161.00p	176.40p	175.70p
Lowest unit price	144.90p	153.90p	161.10p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**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

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	195.99	209.85	191.42
Return before operating charges*	1.86	(12.96)	19.32
Operating charges (calculated on average price)	(0.85)	(0.90)	(0.89)
Return after operating charges*	1.01	(13.86)	18.43
Distributions	(6.34)	(4.66)	(4.00)
Retained distributions on accumulation units	6.34	4.66	4.00
Closing net asset value per unit	197.00	195.99	209.85
* after direct transaction costs of:	0.01	—	—

#### Performance

Return after charges	0.52%	(6.60)%	9.63%
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#### Other Information

Closing net asset value (£)	84,852,946	90,777,691	64,921,268
Closing number of units	43,072,138	46,316,912	30,936,639
Operating charges <sup>†</sup>	0.44% <sup>^</sup>	0.44%	0.44%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	199.60p	212.90p	210.10p
Lowest unit price	179.10p	188.00p	190.70p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**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	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	66.32	70.91	64.60
Return before operating charges*	0.63	(4.38)	6.52
Operating charges (calculated on average price)	(0.20)	(0.21)	(0.21)
Return after operating charges*	0.43	(4.59)	6.31
Distributions	(2.23)	(1.67)	(1.44)
Retained distributions on accumulation units	2.23	1.67	1.44
Closing net asset value per unit	66.75	66.32	70.91
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	0.65%	(6.47)%	9.77%
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#### Other Information

Closing net asset value (£)	715,360,078	663,772,496	751,223,454
Closing number of units	1,071,774,161	1,000,908,888	1,059,342,312
Operating charges <sup>†</sup>	0.31% <sup>^</sup>	0.31%	0.31%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	67.57p	71.98p	70.98p
Lowest unit price	60.59p	63.59p	64.35p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

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## Fund Information continued

### Comparative Tables continued

#### D-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	54.81	60.07	55.89
Return before operating charges*	0.51	(3.66)	5.60
Operating charges (calculated on average price)	(0.50)	(0.56)	(0.54)
Return after operating charges*	0.01	(4.22)	5.06
Distributions on income units	(1.49)	(1.04)	(0.88)
Closing net asset value per unit	53.33	54.81	60.07
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	0.02%	(7.03)%	9.05%
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#### Other Information

Closing net asset value (£)	3,704	3,788	300,064
Closing number of units	6,945	6,911	499,534
Operating charges <sup>†</sup>	0.93% <sup>^</sup>	0.93%	0.93%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	55.61p	60.89p	60.55p
Lowest unit price	50.01p	53.07p	55.59p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

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## Fund Information continued

### Comparative Tables continued

#### D-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	63.12	67.91	62.25
Return before operating charges*	0.59	(4.16)	6.27
Operating charges (calculated on average price)	(0.58)	(0.63)	(0.61)
Return after operating charges*	0.01	(4.79)	5.66
Distributions	(1.73)	(1.19)	(0.98)
Retained distributions on accumulation units	1.73	1.19	0.98
Closing net asset value per unit	63.13	63.12	67.91
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	0.02%	(7.05)%	9.09%
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#### Other Information

Closing net asset value (£)	21,163	24,178	4,000,686
Closing number of units	33,521	38,305	5,891,281
Operating charges <sup>†</sup>	0.93% <sup>^</sup>	0.93%	0.93%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	64.11p	68.84p	67.98p
Lowest unit price	57.60p	60.57p	61.91p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

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## Fund Information continued

### Comparative Tables continued

#### L-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	31/07/23 (pence per unit)	31/07/22 (pence per unit)	31/07/21 (pence per unit)
Opening net asset value per unit	54.18	57.79	52.51
Return before operating charges*	0.51	(3.58)	5.31
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.03)
Return after operating charges*	0.48	(3.61)	5.28
Distributions	(1.96)	(1.50)	(1.31)
Retained distributions on accumulation units	1.96	1.50	1.31
Closing net asset value per unit	54.66	54.18	57.79
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	0.89%	(6.25)%	10.06%
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#### Other Information

Closing net asset value (£)	81,064,959	90,864,009	105,771,316
Closing number of units	148,297,951	167,718,315	183,036,453
Operating charges <sup>†</sup>	0.06% <sup>^</sup>	0.06%	0.06%
Direct transaction costs	0.01%	0.00%	0.00%

#### Prices<sup>1</sup>

Highest unit price	55.27p	58.71p	57.84p
Lowest unit price	49.53p	51.94p	52.34p

<sup>†</sup> 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> This Fund's on going charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

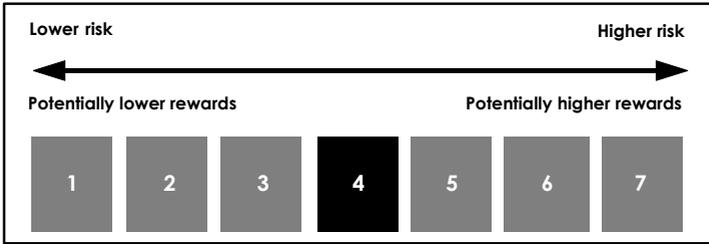
<sup>1</sup> Highest and lowest unit prices are based on published prices.

**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.**

## Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category four because the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

Launch date:	17 January 2005
Period end dates for distributions:	31 January, 31 July
Distribution dates:	31 March, 30 September
Minimum initial lump sum investment:	R-Class £20 I-Class £1,000,000 C-Class* £100,000,000 D-Class £500 L-Class** £100,000
Valuation point:	3pm
Fund management fees:	R-Class Annual 0.92% F-Class*** Annual 0.54% I-Class Annual 0.43% C-Class* Annual 0.30% D-Class Annual 0.92% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

\* Class C 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.

\*\* Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

\*\*\* Class F units are closed to new subscriptions.

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices](http://www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices) immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 9:00am to 5:00pm, 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](http://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 (unaudited) continued**

### **Prospectus and Manager's 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.

### **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 (unaudited) continued

### 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 Mixed Investment 0-35% 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 we manage as at 31 December 2022:

### Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
37	9,236	11,203	288

### Material Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
29	3,895	4,409	107

### Controlled Functions

During 2022, Legal & General Unit Trust Managers Limited (UTM) engaged the services of four employees of Legal & General Investment Management (Holdings) Limited (LGIMH). In addition, there were three non-executive Directors. UTM also engaged the services of a further 30 LGIMH employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer 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 have prorated the remuneration figures by the Net Asset Value of the UCITs Funds as a percentage of the total assets under management of UTM.

### Material Risk Takers

As at 31 December 2022, UTM engaged the services of Legal & General Investment Management's Asset Allocation Team, which consists of 29 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 UTM 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 have prorated the remuneration figures by the Net Asset Value of the UCITs Funds as a percentage of the total assets under management of the Asset Allocation team.

## General Information (unaudited) continued

### Assessment of Value

We have now published Assessment of Value reports for our funds on [legalandgeneral.com](http://legalandgeneral.com) and [lgim.com](http://lgim.com).

### Taskforce on Climate related Financial Disclosures (TCFD) Report

In accordance with the Taskforce on Climate related Financial Disclosures (TCFD) requirements, UTM has prepared its public TCFD report which is available for investors to read and review at the following website link:

[https://www.lgim.com/landg-assets/lgim/\\_document-library/capabilities/utm-tcfdlegal-entity-report-2022.pdf](https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/utm-tcfdlegal-entity-report-2022.pdf).

### Notifiable Change

#### Prospectus Updates

With effect from 16 March 2023, the Prospectus was updated for the following:

To introduce wording to allow for the compulsory conversion or cancellation of units and to clarify the circumstances in which redemptions, conversions or cancellations may be carried out.

To introduce revised wording confirming the Fund may not be offered or sold to in the United States of America or held by U.S. Persons and that the compulsory redemption provisions as set out in the Prospectus will apply accordingly to any such U.S. Person.

To introduce wording to reflect the treatment of unclaimed distributions and client money.

With effect from 23 May 2023, the Prospectus was updated for the following:

To introduce wording to confirm that units may be redeemed under certain circumstances.

## General Information (unaudited) 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

M. M. Ammon  
A. D. Claire\* (resigned on 15 November 2022)  
E. Cowhey\*  
A. J. C. Craven  
D. J. Hosie\*  
R. R. Mason  
L. W. Toms

\*Non-executive Director

### Secretary

J. McCarthy  
One Coleman Street,  
London EC2R 5AA

### Registrar

Legal & General (Unit Trust Managers) Limited  
Brunel House,  
2 Fitzalan Road,  
Cardiff CF24 0EB  
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 Investor Services Limited  
Trustee and Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

Authorised and regulated by the Financial Conduct Authority

### Independent Auditor

KPMG LLP  
319 St Vincent Street,  
Glasgow G2 5AS

### 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**

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(Unit Trust Managers) Limited  
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[www.legalandgeneral.com](http://www.legalandgeneral.com)

