

Legal & General Active Sterling
Corporate Bond Plus Fund

**Interim Manager's Report
for the period ended
22 August 2023
(Unaudited)**



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Manager's Investment Report

Investment Objective and Policy

With effect from 31 March 2023, the Fund's Investment Objective and Policy has been updated to better reflect how the Fund is managed. The previous and revised Investment Objectives are set out below:

Prior to 31 March 2023

The objective of the Fund is to provide income and growth above those of the Market iBoxx Sterling Corporate Bond Total Return Index (the "Benchmark Index"). The Fund aims to outperform the Benchmark Index by 1.00% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Fund is actively managed and will invest at least 80% in investment grade corporate bonds denominated in Sterling or hedged back to Sterling, with minimum credit ratings of BBB- at the time of purchase. These are bonds with a credit rating from a nationally recognised statistical rating organisation (NRSRO).

The Fund may invest up to 20% in bonds with minimum credit ratings of BB-. The Fund may hold up to 5% in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund and bonds which are downgraded below credit ratings of BBB- after purchase.

The Fund may also invest up to 20% in government bonds.

The bonds in which the Fund will invest may: (i) have varying and fixed interest repayment terms and reset terms; (ii) have varying maturities; (iii) be denominated in Sterling, Euro or US Dollar; and (iv) be issued by UK or overseas issuers.

The Fund is not constrained by the Benchmark Index and, as such, there are no restrictions on the extent to which the Fund's portfolio may deviate from that of the Benchmark Index. The management of the Fund is consistent with the Investment Manager's strategy to provide a high risk and reward profile.

Non-Sterling currency exposure is hedged to Sterling. Interest rate risk exposure is also hedged.

The Fund may also invest in cash, permitted deposits, money market instruments (such as Treasury bills), and collective investment schemes, including those which are operated by the Manager or an associate of the Manager. The Fund may invest in securities with bond features such as contingent convertible bonds.

The Fund may only hold derivatives for the purpose of Efficient Portfolio Management.

From 31 March 2023

The objective of the Fund is to provide income and growth above those of the Market iBoxx Sterling Corporate Bond Total Return Index (the "Benchmark Index"). The Fund aims to outperform the Benchmark Index over rolling three year periods after the deduction of all fees and expenses.

The Fund is actively managed and will invest at least 80% in investment grade corporate bonds denominated in Sterling or hedged back to Sterling, with minimum credit ratings of BBB- at the time of purchase. These are bonds with a credit rating from a nationally recognised statistical rating organisation (NRSRO).

Manager's Investment Report continued

The Fund may invest up to 20% in bonds with minimum credit ratings of BB-. The Fund may hold up to 5% in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund and bonds which are downgraded below credit ratings of BBB- after purchase.

The Fund may also invest up to 20% in government bonds.

The bonds in which the Fund will invest may: (i) have varying and fixed interest repayment terms and reset terms; (ii) have varying maturities; (iii) be denominated in Sterling, Euro or US Dollar; and (iv) be issued by UK or overseas issuers.

The Fund is not constrained by the Benchmark Index and, as such, there are no restrictions on the extent to which the Fund's portfolio may deviate from that of the Benchmark Index. The management of the Fund is consistent with the Investment Manager's strategy to provide a high risk and reward profile.

Non-Sterling currency exposure is hedged to Sterling. Interest rate risk exposure is also hedged.

The Fund may also invest in cash, permitted deposits, money market instruments (such as Treasury bills), and collective investment schemes, including those which are operated by the Manager or an associate of the Manager. The Fund may invest in securities with bond features such as contingent convertible bonds.

The Fund may only hold derivatives for the purpose of Efficient Portfolio Management.

Manager's Investment Report

During the period under review, the published price of the Fund's R-Class accumulation units fell by 3.29%. Over the same period, the Markit iBoxx Sterling Corporate Bond Total Return Index fell by 2.86% (Source: Bloomberg).

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.

Market/Economic Review

Over the period under review, inflationary pressures and tighter monetary policy continued to dominate the thoughts of market participants. Fears of an economic slowdown remained at the forefront of the minds of investors and, with signs that inflation was falling across most developed markets, there was even tentative talk in some parts of when developed market central banks might start cutting rates.

The Bank of England (BoE) continued to raise rates during the six months, hitting a heady 5.25% in August – its 14th consecutive hike and taking rates to their highest level since 2008. Meanwhile, inflation remained stubbornly high but towards the end of the period there were signs of easing price pressures; UK annualised inflation fell by more than expected to 6.80% in July, down from 7.90% in June.

Fund Review

While the Fund maintained a small overweight to credit versus the Benchmark over the period this failed to deliver positive performance, due partly to unhelpful stock selection, but more due to an underweight position to longer dated credit versus the Benchmark. This proved to be a headwind over the period.

Manager's Investment Report continued

Overall, ten-year Gilt yields rose sharply over the period, partly due to outflows from the 2022 liability-driven investment crisis being repatriated. Having fallen early in the period in response to the regional banking crisis in the US, they then rose consistently as the UK's Monetary Policy Committee continued to raise UK rates, reinforcing a 'higher for longer' narrative.

At the Fund level, the yield move was broadly neutral with duration positioning close to the Benchmark level. The Fund was active in participating in, what we believe to be, attractively priced new issues but we maintained a disciplined approach, funding them largely with other corporate bond sales.

Positioning in Canary Wharf debt continued to be a drag on performance as its credit rating fell and illiquid holdings in pub operator, Marston's, also hurt the Fund. This was offset by a positive contribution from Thames Water, where we have zero exposure, as the sector came under severe scrutiny.

The Fund closed the period with a small overweight duration position. From a sector perspective, the Fund is still defensively overweight the collateralised sector. In financials, it has an underweight in banks, while neutral on insurers. In corporate bonds, overall, we are underweight, although we are overweight defensive utilities, consumer goods and telecom names.

Outlook

Looking ahead, the outlook for US and European inflation remains key, as well as the lagged impact of past policy tightening. If inflation can continue to cool without driving unemployment up significantly, then a soft landing is still a possibility, in our view. But it remains a difficult balancing act for policymakers, with a US and European recession still likely around the turn of the year. Overall, we believe recession risk continues to argue for a cautious portfolio position.

Legal & General Investment Management Limited
(Investment Adviser)
18 September 2023

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
11 October 2023

Portfolio Statement

Portfolio Statement as at 22 August 2023

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 22 February 2023.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CORPORATE BONDS		
	— 90.92% (92.88%)		
	UNITED KINGDOM		
	— 48.83% (49.45%)		
GBP598,000	Anglian Water Services Financing 6% 20/06/2039	578,728	0.27
GBP3,743,000	Annington Funding 3.184% 12/07/2029	3,031,411	1.43
GBP398,000	Annington Funding 2.308% 06/10/2032	277,397	0.13
GBP100,000	Annington Funding 3.935% 12/07/2047	67,388	0.03
GBP1,414,233	Arqiva Financing 4.882% 31/12/2032	1,288,223	0.61
GBP579,000	Arqiva Financing 5.34% 30/12/2037	528,525	0.25
GBP510,097	Aspire Defence Finance 4.674% 31/03/2040	458,308	0.22
GBP1,282,000	Aviva 4.375% 12/09/2049	1,090,174	0.51
GBP308,000	Aviva 4% 03/06/2055	227,507	0.11
GBP1,132,000	Barclays 3% 08/05/2026	1,025,988	0.48
GBP920,000	Barclays 6.369% 31/01/2031	880,346	0.41
GBP313,000	Barclays 3.25% 17/01/2033	233,952	0.11
USD150,000	Barclays Bank 6.28% Open Maturity	112,805	0.05
GBP1,246,000	BAT International Finance 2.25% 26/06/2028	1,027,952	0.48
GBP255,000	BAT International Finance 6% 24/11/2034	224,242	0.11
GBP235,000	BAT International Finance 4% 23/11/2055	127,546	0.06
GBP451,000	Bazalgette Finance 2.75% 10/03/2034	331,487	0.16
GBP1,295,000	BP Capital Markets 5.773% 25/05/2038	1,253,147	0.59
GBP950,000	British Telecommunications 5.75% 13/02/2041	854,745	0.40
GBP639,000	British Telecommunications 3.625% 21/11/2047	420,443	0.20
GBP1,158,000	British Telecommunications 8.375% 20/12/2083 ¹	1,156,020	0.54
GBP1,207,000	BUPA Finance 4% Open Maturity	715,148	0.34
GBP232,000	Cadent Finance 2.75% 22/09/2046	129,532	0.06
GBP593,488	Canary Wharf Finance II 6.455% 22/07/2030	576,359	0.27
GBP1,747,000	Canary Wharf Group Investment Holdings 2.625% 23/04/2025 ¹	1,419,687	0.67
GBP950,000	Centrica 7% 19/09/2033	1,007,691	0.47
GBP1,738,000	Centrica 4.25% 12/09/2044	1,314,102	0.62
GBP1,025,000	Channel Link Enterprises Finance 3.043% 30/06/2050	844,793	0.40
GBP1,353,552	Connect Plus M25 Issuer 2.607% 31/03/2039	1,038,405	0.49

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP391,040	CTRL Section 1 Finance 5.234% 02/05/2035	385,831	0.18
GBP2,671,000	DWR Cymru Financing UK 2.375% 31/03/2034	1,786,039	0.84
GBP534,000	Eastern Power Networks 2.125% 25/11/2033	377,838	0.18
GBP1,059,000	ENW Finance 4.893% 24/11/2032	969,483	0.46
GBP154,632	Greene King Finance 5.106% 15/03/2034	137,961	0.06
GBP274,000	Greene King Finance 6.82% 15/12/2034	213,254	0.10
GBP951,984	Greene King Finance 3.593% 15/03/2035	772,251	0.36
GBP255,035	Gwynt y Mor OFTO 2.778% 17/02/2034	209,670	0.10
GBP2,099,000	Hammerson 3.5% 27/10/2025	1,893,367	0.89
GBP1,496,000	Hammerson 6% 23/02/2026	1,391,684	0.65
GBP696,000	HSBC Bank 6.25% 30/01/2041	640,696	0.30
GBP119,000	HSBC Bank 4.75% 24/03/2046	88,242	0.04
GBP450,000	HSBC Holdings 2.256% 13/11/2026	408,355	0.19
GBP1,724,000	HSBC Holdings 3% 22/07/2028	1,501,497	0.71
GBP700,000	HSBC Holdings 6.75% 11/09/2028	691,358	0.32
GBP1,132,000	HSBC Holdings 3% 29/05/2030	931,523	0.44
GBP1,641,000	IG Group Holdings 3.125% 18/11/2028	1,275,208	0.60
GBP1,885,000	Imperial Brands Finance 5.5% 28/09/2026	1,820,549	0.86
GBP2,413,000	Land Securities Capital Markets 4.875% 15/09/2034	2,255,009	1.06
GBP360,000	LiveWest Treasury 5.576% 02/10/2048	338,196	0.16
GBP4,379,000	Lloyds Bank 7.5% 15/04/2024	4,412,718	2.07
GBP280,000	Lloyds Bank 6% 08/02/2029	286,075	0.13
GBP1,313,000	Lloyds Banking Group 1.985% 15/12/2031	1,104,117	0.52
GBP1,187,000	Lloyds Banking Group 6.625% 02/06/2033	1,138,952	0.54
USD532,000	Lloyds Banking Group 6.657% Open Maturity	407,403	0.19
GBP1,575,000	Logicor 2019-1 UK 1.875% 17/11/2031	1,361,145	0.64
GBP282,000	M&G 5.625% 20/10/2051	247,115	0.12
GBP277,000	M&G 5.56% 20/07/2055	232,330	0.11
GBP533,000	Manchester Airport Group Funding 2.875% 30/09/2044	323,288	0.15
GBP172,000	Marks & Spencer 6% 12/06/2025 ¹	168,252	0.08
USD718,000	Marks & Spencer 7.125% 01/12/2037 ¹	515,226	0.24
GBP810,000	Marks & Spencer Group 3.75% 19/05/2026 ¹	743,839	0.35
GBP2,438,000	Marston's Issuer 5.177% 15/07/2032 ¹	2,085,513	0.98
GBP1,682,000	Marston's Issuer 7.71% 15/07/2035 ¹	1,177,441	0.55
GBP54,069	Mitchells & Butlers Finance 5.965% 15/12/2023 ¹	53,528	0.03

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP262,249	Mitchells & Butlers Finance 6.013% 15/12/2028 ¹	238,534	0.11
GBP787,000	Motability Operations Group 3.625% 10/03/2036	638,871	0.30
GBP866,000	National Gas Transmission 1.375% 07/02/2031	612,747	0.29
GBP1,259,000	National Grid Electricity Distribution East Midlands 1.75% 09/09/2031	915,462	0.43
GBP372,000	National Grid Electricity Distribution South West 2.375% 16/05/2029	303,682	0.14
GBP2,085,000	National Grid Electricity Distribution South West 5.818% 31/07/2041	1,980,208	0.93
GBP2,662,000	National Grid Electricity Transmission 1.125% 07/07/2028	2,114,640	0.99
GBP1,027,000	National Grid Electricity Transmission 5.272% 18/01/2043	914,626	0.43
GBP1,160,000	Nationwide Building Society 6.125% 21/08/2028	1,146,505	0.54
GBP2,463,000	Nats En Route 1.375% 31/03/2031	2,022,133	0.95
GBP1,040,000	Nats En Route 1.75% 30/09/2033	720,882	0.34
GBP717,000	NatWest Group 7.416% 06/06/2033	699,238	0.33
GBP1,460,000	NatWest Markets 6.625% 22/06/2026	1,462,763	0.69
GBP264,000	NewRiver REIT 3.5% 07/03/2028	218,463	0.10
GBP1,058,000	NIE Finance 5.875% 01/12/2032	1,038,993	0.49
GBP1,015,000	Northern Electric Finance 2.75% 24/05/2049	606,310	0.28
GBP565,000	Northumbrian Water Finance 1.625% 11/10/2026	488,320	0.23
GBP1,441,000	Northumbrian Water Finance 2.375% 05/10/2027	1,228,446	0.58
GBP1,228,000	Northumbrian Water Finance 4.5% 14/02/2031	1,086,767	0.51
GBP723,000	Northumbrian Water Finance 6.375% 28/10/2034	706,199	0.33
GBP454,000	Pension Insurance Corporation 4.625% 07/05/2031	367,086	0.17
GBP501,000	Pension Insurance Corporation 3.625% 21/10/2032	361,804	0.17
GBP451,000	Prudential Funding Asia 6.125% 19/12/2031	432,722	0.20
GBP311,000	RAC Bond 4.87% 06/05/2046	283,956	0.13
GBP1,519,000	RL Finance Bonds No. 2 6.125% 30/11/2043	1,511,098	0.71
GBP2,385,000	Rothesay Life 3.375% 12/07/2026	2,141,935	1.01
GBP900,000	Rothesay Life 5.5% 17/09/2029	878,652	0.41
GBP684,000	RSA Insurance Group 5.125% 10/10/2045	649,340	0.31
GBP1,251,000	Sage Group 1.625% 25/02/2031	919,865	0.43
GBP911,000	Santander UK Group 7.098% 16/11/2027	904,357	0.43
GBP1,153,000	Severn Trent Utilities Finance 5.25% 04/04/2036	1,053,519	0.50
GBP800,000	Severn Trent Utilities Finance 2% 02/06/2040	449,078	0.21

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — (cont.)			
GBP1,036,000	South Eastern Power Networks 5.5% 05/06/2026	1,016,650	0.48
GBP1,235,000	South Eastern Power Networks 6.375% 12/11/2031	1,258,915	0.59
GBP2,157,000	Stagecoach Group 4% 29/09/2025	1,997,231	0.94
GBP653,000	Swan Housing Capital 3.625% 05/03/2048	449,098	0.21
GBP391,435	Telereal Securitisation 1.366% 10/12/2031	327,494	0.15
GBP1,100,000	Telereal Securitisation 3.563% 10/12/2031	914,274	0.43
GBP1,819,034	Telereal Securitisation 5.389% 10/12/2031	1,735,755	0.82
GBP760,000	Telereal Securitisation 1.96% 10/12/2033	670,244	0.31
GBP1,100,000	Telereal Securitisation 3.563% 10/12/2036	911,592	0.43
GBP928,000	Tesco Corporate Treasury Services 2.75% 27/04/2030	748,675	0.35
GBP1,090,040	Tesco Property Finance 1 7.623% 13/07/2039	1,141,357	0.54
GBP1,63,188	Tesco Property Finance 2 6.052% 13/10/2039	153,929	0.07
GBP93,282	Tesco Property Finance 3 5.744% 13/04/2040	85,072	0.04
EUR287,000	Thames Water Utilities Finance 4.375% 18/01/2031	227,800	0.11
EUR100,000	Thames Water Utilities Finance 1.25% 31/01/2032	63,233	0.03
GBP268,000	United Utilities Water Finance 0.875% 28/10/2029	196,584	0.09
GBP183,000	United Utilities Water Finance 2.625% 12/02/2031	145,844	0.07
GBP3,459,000	United Utilities Water Finance 5.75% 26/06/2036	3,319,118	1.56
GBP722,000	Vodafone Group 3.375% 08/08/2049	441,890	0.21
GBP1,100,000	Vodafone Group 5.125% 02/12/2052	895,429	0.42
GBP109,000	Vodafone Group 3% 12/08/2056	58,027	0.03
GBP446,000	Wellcome Trust 2.517% 07/02/2118	213,012	0.10
GBP2,684,000	Whitbread Group 3.375% 16/10/2025	2,496,056	1.17
GBP857,000	Whitbread Group 2.375% 31/05/2027	724,016	0.34
		103,875,500	48.83
IRELAND — 1.16% (0.84%)			
GBP725,000	GE Capital UK Funding Unlimited 5.875% 18/01/2033	698,704	0.33
GBP496,000	GE Capital UK Funding Unlimited 8% 14/01/2039	546,275	0.26
GBP1,409,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	1,216,953	0.57
		2,461,932	1.16
CHANNEL ISLANDS — 2.99% (2.40%)			
GBP819,000	AA Bond 3.25% 31/07/2050	642,669	0.30

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
CHANNEL ISLANDS — (cont.)			
GBP539,000	AA Bond 8.45% 31/07/2050	533,339	0.25
GBP1,093,000	CPUK Finance 5.876% 28/08/2027	1,046,985	0.49
GBP663,000	CPUK Finance 6.136% 28/08/2031	622,279	0.29
GBP1,856,000	CPUK Finance 3.588% 28/02/2042	1,728,886	0.82
GBP900,000	Heathrow Funding 6.75% 03/12/2028	906,066	0.43
GBP871,000	Heathrow Funding 6.45% 10/12/2031	874,770	0.41
		6,354,994	2.99
CONTINENTAL EUROPE			
— 25.83% (25.69%)			
Belgium — 0.63% (0.63%)			
GBP1,400,000	KBC Group 5.5% 20/09/2028	1,338,518	0.63
Denmark — 1.25% (0.97%)			
GBP716,000	Orsted 4.875% 12/01/2032	657,352	0.31
GBP1,186,000	Orsted 5.375% 13/09/2042	1,076,191	0.51
GBP1,397,000	Orsted 2.5% Open Maturity	925,967	0.43
		2,659,510	1.25
Finland — 1.17% (1.12%)			
GBP2,916,000	OP Corporate Bank 1.375% 04/09/2026	2,493,238	1.17
France — 11.58% (10.97%)			
GBP462,000	AXA 6.686% Open Maturity	455,063	0.21
GBP1,100,000	Banque Federative du Credit Mutuel 4.875% 25/09/2025	1,066,094	0.50
GBP1,700,000	Banque Federative du Credit Mutuel 5% 19/01/2026	1,642,717	0.77
GBP1,700,000	Banque Federative du Credit Mutuel 5.375% 25/05/2028	1,632,095	0.77
GBP1,800,000	Banque Federative du Credit Mutuel 1.875% 26/10/2028	1,463,962	0.69
GBP500,000	BNP Paribas 2.875% 24/02/2029	414,715	0.20
GBP2,100,000	BNP Paribas 6% 18/08/2029	2,068,290	0.97
GBP2,000,000	BNP Paribas 2% 24/05/2031	1,704,860	0.80
GBP700,000	BNP Paribas 5.75% 13/06/2032	653,905	0.31
GBP1,800,000	BPCE 2.5% 30/11/2032	1,448,618	0.68
GBP1,200,000	Credit Agricole 5.75% 29/11/2027	1,163,532	0.55
GBP2,000,000	Credit Agricole 4.875% 23/10/2029	1,851,816	0.87
GBP1,500,000	Credit Agricole 1.874% 09/12/2031	1,249,248	0.59
GBP2,000,000	Electricite de France 5.5% 17/10/2041	1,702,808	0.80
GBP300,000	Electricite de France 5.125% 22/09/2050	235,488	0.11
GBP1,200,000	Electricite de France 5.625% 25/01/2053	1,006,668	0.47
GBP500,000	Electricite de France 6% 23/01/2114	412,288	0.19
GBP700,000	Engie 5.625% 03/04/2053	641,242	0.30
GBP900,000	Engie 5% 01/10/2060	745,189	0.35
GBP2,300,000	La Banque Postale 5.625% 21/09/2028	2,164,967	1.02
GBP1,100,000	Orange 3.25% 15/01/2032	919,325	0.43
		24,642,890	11.58

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Germany — 1.14% (0.80%)			
USD1,000,000	Allianz 3.5% Open Maturity	658,638	0.31
EUR1,100,000	Deutsche Bank 4% 24/06/2032	835,124	0.39
EUR1,100,000	Robert Bosch 4.375% 02/06/2043	920,790	0.44
		2,414,552	1.14
Italy — 1.72% (1.07%)			
GBP897,000	Intesa Sanpaolo 6.5% 14/03/2029	850,327	0.40
GBP1,498,000	Intesa Sanpaolo 2.5% 15/01/2030	1,152,510	0.54
GBP1,762,000	Intesa Sanpaolo 6.625% 31/05/2033	1,660,911	0.78
		3,663,748	1.72
Luxembourg — 1.33% (1.22%)			
GBP1,114,000	Blackstone Property Partners Europe Holdings 4.875% 29/04/2032	842,903	0.40
GBP1,220,000	CK Hutchison Group Telecom Finance 2.625% 17/10/2034	798,265	0.37
GBP795,000	CPI Property Group 2.75% 22/01/2028	546,628	0.26
GBP871,000	Logicor Financing 2.75% 15/01/2030	642,326	0.30
		2,830,122	1.33
Netherlands — 2.52% (2.40%)			
GBP800,000	ABN AMRO Bank 5.25% 26/05/2026	781,337	0.37
GBP2,000,000	E.ON International Finance 5.875% 30/10/2037	1,908,436	0.90
GBP1,700,000	E.ON International Finance 6.125% 06/07/2039	1,660,322	0.78
GBP1,201,000	Enel Finance International 2.875% 11/04/2029	1,008,504	0.47
		5,358,599	2.52
Norway — 0.53% (0.54%)			
GBP1,219,000	DNB Bank 4% 17/08/2027	1,128,211	0.53
Spain — 1.46% (1.68%)			
GBP800,000	Banco Santander 3.125% 06/10/2026	735,149	0.34
GBP1,300,000	CaixaBank 3.5% 06/04/2028	1,150,224	0.54
GBP1,300,000	CaixaBank 6.875% 25/10/2033	1,226,324	0.58
		3,111,697	1.46
Sweden — 0.99% (1.01%)			
GBP873,000	Svenska Handelsbanken 4.625% 23/08/2032	786,356	0.37
GBP1,663,000	Vattenfall 2.5% 29/06/2083	1,322,085	0.62
		2,108,441	0.99
Switzerland — 1.51% (3.28%)			
GBP2,198,000	Credit Suisse/London 1.125% 15/12/2025	1,936,201	0.91
GBP1,594,000	UBS Group 1.875% 03/11/2029	1,269,876	0.60
		3,206,077	1.51
NORTH AMERICA — 11.11% (12.24%)			
Canada — 0.83% (2.08%)			
GBP862,000	CPPIB Capital 4.375% 02/03/2026	835,156	0.39

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Canada — (cont.)			
GBP1,102,000	CPPIB Capital 1.625% 22/10/2071	407,284	0.19
GBP558,000	Royal Bank of Canada 5% 24/01/2028	528,457	0.25
USD168,000	Sino-Forest Corporation 0.00% 28/07/2014 ^{2,3}	—	—
		<hr/>	<hr/>
		1,770,897	0.83
Cayman Islands — 1.65% (1.82%)			
GBP2,663,000	Southern Water Services Finance 6.64% 31/03/2026	2,621,397	1.23
GBP736,000	Southern Water Services Finance 2.375% 28/05/2028	596,379	0.28
GBP311,698	Trafford Centre Finance 7.03% 28/01/2029	284,409	0.14
		<hr/>	<hr/>
		3,502,185	1.65
United States — 8.63% (8.34%)			
GBP900,000	AT&T 7% 30/04/2040	911,923	0.43
GBP1,909,000	AT&T 4.875% 01/06/2044	1,503,895	0.71
GBP2,502,000	Athene Global Funding 1.875% 30/11/2028	1,927,486	0.90
GBP2,588,000	Bank of America 1.667% 02/06/2029	2,084,857	0.98
GBP1,158,000	Berkshire Hathaway Finance 2.375% 19/06/2039	759,243	0.36
GBP1,121,000	Caterpillar Financial Services 5.72% 17/08/2026	1,116,592	0.52
GBP505,000	Digital Stout 3.3% 19/07/2029	416,376	0.19
GBP3,966,000	Goldman Sachs Group 1.5% 07/12/2027	3,259,846	1.53
GBP485,000	Goldman Sachs Group 1.875% 16/12/2030	359,800	0.17
GBP58,000	Goldman Sachs Group 6.875% 18/01/2038	56,121	0.03
GBP762,000	Metropolitan Life Global Funding I 5% 10/01/2030	720,358	0.34
GBP1,235,000	Morgan Stanley 5.789% 18/11/2033	1,169,718	0.55
GBP2,014,000	Verizon Communications 1.125% 03/11/2028	1,565,881	0.74
GBP1,163,000	Verizon Communications 2.5% 08/04/2031	906,845	0.43
GBP237,000	Verizon Communications 3.375% 27/10/2036	175,167	0.08
GBP2,950,000	Washington Mutual 0.00% 31/12/2040 ^{2,3}	—	—
GBP1,758,000	Wells Fargo & Company 2.5% 02/05/2029	1,419,609	0.67
		<hr/>	<hr/>
		18,353,717	8.63
PACIFIC BASIN — 1.00% (2.26%)			
Australia — 1.00% (2.26%)			
GBP2,737,000	QBE Insurance Group 2.5% 13/09/2038	2,120,901	1.00

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
GOVERNMENT BONDS			
— 7.26% (5.96%)			
UNITED KINGDOM — 7.26% (5.96%)			
GBP346,000	United Kingdom Gilt 1.625% 22/10/2028	298,077	0.14
GBP1,928,000	United Kingdom Gilt 4.75% 07/12/2030	1,946,529	0.91
GBP3,278,789	United Kingdom Gilt 4.25% 07/06/2032	3,203,115	1.51
GBP4,778,227	United Kingdom Gilt 1.75% 07/09/2037	3,290,690	1.55
GBP2,909,716	United Kingdom Gilt 1.25% 22/10/2041	1,653,301	0.78
GBP1,774,000	United Kingdom Gilt 4.5% 07/12/2042	1,687,535	0.79
GBP1,265,559	United Kingdom Gilt 3.25% 22/01/2044	996,807	0.47
GBP2,352,000	United Kingdom Gilt 1.5% 22/07/2047	1,237,740	0.58
GBP604,000	United Kingdom Gilt 4.25% 07/12/2049	547,388	0.26
GBP948,887	United Kingdom Gilt 0.625% 22/10/2050	350,901	0.16
GBP5,000	United Kingdom Gilt 1.75% 22/07/2057	2,507	—
GBP828,323	United Kingdom Gilt 0.5% 22/10/2061	228,415	0.11
		15,443,005	7.26
FORWARD CURRENCY CONTRACTS			
— 0.01% (0.01%)			
GBP(8,623)	Sold Sterling for Euro (Expires 11/10/2023) ⁴	(76)	—
EUR(1,856,927)	Sold Euro for Sterling (Expires 11/10/2023) ⁴	12,141	—
USD(1,955,509)	Sold US Dollars for Sterling (Expires 11/10/2023) ⁴	447	—
EUR(2,825,303)	Sold Euro for Sterling (Expires 11/10/2023) ⁴	17,196	0.01
GBP2,432,064	Sold US Dollars for Sterling (Expires 11/10/2023) ⁴	(699)	—
GBP(7,829)	Sold Sterling for US Dollars (Expires 11/10/2023) ⁴	4	—
USD(78,552)	Sold Sterling for US Dollars (Expires 11/10/2023) ⁴	(224)	—
USD100,000			
		28,789	0.01
FUTURE CONTRACTS			
— -0.06% (0.13%)			
EUR(8)	Euro-BOBL Future Expiry September 2023	10,916	—
EUR(7)	Euro-BUXL Future Expiry September 2023	38,686	0.02
GBP58	Long Gilt Future Expiry September 2023	(217,102)	(0.10)
USD(6)	US Long Bond CBT Future Expiry September 2023	40,655	0.02
		(126,845)	(0.06)

Portfolio Statement continued

Portfolio of investments⁵

Net other assets

Total net assets

208,740,678	98.13
3,975,678	1.87
£212,716,356	100.00%

¹ These are sub-investment grade fixed interest securities and represent 3.55% of the net assets of the Fund.

² These are unrated fixed interest securities and represent 0.00% of the net assets of the Fund.

³ Defaulted securities are valued at the Manager's best assessment of their fair and reasonable value.

⁴ Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

⁵ Including investment liabilities.

Total purchases for the period: £61,287,619.

Total sales for the period: £74,134,301.

Financial Statements

Statement of Total Return for the period ended 22 August 2023

	22/08/23		22/08/22	
	£	£	£	£
Income				
Net capital losses		(10,829,736)		(32,575,924)
Revenue	4,633,042		4,447,420	
Expenses	(531,470)		(701,502)	
Interest payable and similar charges	(30,934)		(12,291)	
Net revenue before taxation	4,070,638		3,733,627	
Taxation	—		—	
Net revenue after taxation for the period		4,070,638		3,733,627
Total return before distributions		(6,759,098)		(28,842,297)
Distributions		(3,808,243)		(3,733,627)
Change in net assets attributable to Unitholders from investment activities		£(10,567,341)		£(32,575,924)

Statement of Change in Net Assets attributable to Unitholders for the period ended 22 August 2023

	22/08/23		22/08/22	
	£	£	£	£
Opening net assets attributable to Unitholders		235,407,525		321,155,288
Amounts received on issue of units	3,414,157		4,951,857	
Amounts paid on cancellation of units	(16,814,094)		(30,311,722)	
		(13,399,937)		(25,359,865)
Change in net assets attributable to Unitholders from investment activities		(10,567,341)		(32,575,924)
Retained distributions on accumulation units		1,275,860		1,370,214
Unclaimed distributions		249		334
Closing net assets attributable to Unitholders		£212,716,356		£264,590,047

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

Financial Statements continued

Balance Sheet as at 22 August 2023

	22/08/23 £	22/02/23 £
ASSETS		
Fixed assets:		
Investments	208,958,779	233,032,716
Current assets:		
Debtors	5,011,328	6,537,504
Cash and bank balances	2,242,337	5,391,643
Total assets	216,212,444	244,961,863
LIABILITIES		
Investment liabilities		
	(218,101)	(31,149)
Creditors:		
Bank overdrafts	(1,329,348)	(5,230,507)
Distributions payable	(495,672)	(502,363)
Other creditors	(1,452,967)	(3,790,319)
Total liabilities	(3,496,088)	(9,554,338)
Net assets attributable to Unitholders	£212,716,356	£235,407,525

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. Accounting Policies

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

(a) Basis of Preparation

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

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	6,975,717	13,215,666	52.78
Accumulation Units	5,687,495	5,240,696	108.53
F-Class			
Distribution Units	658	1,233	53.37
Accumulation Units	1,108	965	114.82
I-Class			
Distribution Units	133,779,267	253,099,433	52.86
Accumulation Units	66,272,111	55,097,706	120.28

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.

Ongoing Charges Figures

	22 Aug 23	22 Feb 23
R-Class	1.03%	1.03%
F-Class	0.68%	0.68%
I-Class	0.44%	0.44%

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

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

Distribution Information

R-Class

The distribution paid on 21 September 2023 was 0.1615p per unit for distribution units and 0.3302p per unit for accumulation units.

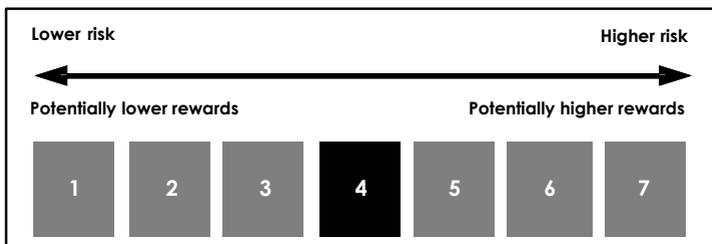
F-Class

The distribution paid on 21 September 2023 was 0.1812p per unit for distribution units and 0.3703p per unit for accumulation units.

I-Class

The distribution paid on 21 September 2023 was 0.1874p per unit for distribution units and 0.4243p per unit for accumulation units.

Risk and Reward Profile



- 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 it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to go up and down. Bonds that are closer to their maturity date tend to be more stable in value. Bonds are generally considered to be higher risk investments than cash, but lower risk than company shares.
- Even a fund in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	20 October 1997
Period end dates for distributions:	22 of each month 22 February (Final)
Distribution dates:	21 of each month 21 March (Final)
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000
Minimum monthly contributions:	R-Class £20 I-Class N/A
Valuation point:	12 noon
Fund Management Fees:	R-Class Annual 1.03% F-Class* Annual 0.68% I-Class Annual 0.44%
Initial charge:	Nil for all existing unit classes

* 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 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. 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.

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.

General Information continued

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.

Taskforce on Climate related Financial Disclosures (TCFD) Report

In accordance with the Taskforce on Climate related Financial Disclosures (TCFD) requirements, Legal & General (Unit Trust Managers) Limited (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-tcfid-legal-entity-report-2022.pdf.

Significant Change

Change of Investment Objective and Policy

With effect from 31 March 2023, the Fund's Investment Objective and Policy has been updated to better reflect how the Fund is managed. The previous and revised Investment Objective and Policy are set out on pages 2 to 3.

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 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
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**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
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London EC2R 5AA
www.legalandgeneral.com

