

Legal & General Active Sterling Corporate Bond Fund
Interim Manager's Report
for the period ended
5 March 2023
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to provide income and growth above those of the Markit iBoxx Sterling Corporate Bond Total Return Index, the "Benchmark Index". The Fund aims to outperform the Benchmark Index by 0.50% 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 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 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.

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 decreased by 0.31%. Over the same period, the Benchmark Index on a total return basis rose by 0.14% (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.

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

Market/Economic Review

Over the past six months, inflationary pressures and tighter monetary policy have continued to dominate the thoughts of market participants. Fears of an economic slowdown are now at the forefront of the minds of investors and, with signs that inflation has peaked in a number of developed markets, there's even tentative talk of when central banks might start cutting rates.

Having blinked first among developed market policymakers at the end of 2021, the UK continued to raise rates during the six months, hitting 4% in February – its 10th

Manager's Investment Report continued

consecutive hike and taking rates to their highest level since 2008 – while inflation has edged down from a 41-year high of 11.10% in October, to 10.10% in January.

In the US, the Federal Reserve (Fed) went faster and further; having hiked in four successive 75 basis-point increments, it slowed its pace of rises with a 50 basis-point rise in December and a 25-basis point hike in February, to take the headline rate to between 4.50% and 4.75%. With inflation deemed to have passed its peak, attention was turning to when the Fed might start cutting rates. However, stronger-than-expected jobs data – the US created 311,000 jobs in February, well above forecasts – and knock-out retail sales numbers – a 3% month on month rise in January – suggested the Fed has more to do on the interest rate front.

In Europe, having stubbornly held off tightening monetary policy for as long as it could, the European Central Bank (ECB) continued to raise rates over the period; in September and October, it hiked by a combined 1.50%. It followed up with two 50 basis-point hikes in December and February, to take rates to 3%; they are expected to rise to 3.75% by September, matching the ECB's 2001 all-time high. Eurozone inflation fell for the first time in 17 months in November and fell to an annualised rate of 8.50% in February.

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 the period to allow the 10-year government bond greater yield move freedom. However, early on in the period, the first and last 'mini budget' of UK Chancellor Kwasi Kwarteng's tenure – which included a number of sizeable unfunded spending pledges – prompted Gilt yields to soar and Sterling to plummet to its lowest level versus the US Dollar in almost 40 years.

However, Kwarteng's tenure proved to be short-lived, while Prime Minister Liz Truss resigned after 49 days in office. Rishi Sunak was chosen by Conservative Members of Parliament to replace her in double-quick time, 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, while Sterling bucked the long-term trend and made up ground versus the US Dollar.

Benchmark developed market government bond yields rose strongly (prices fell) over the six months on the back of hawkish central bank rhetoric and tightening monetary policy, peaking midway through the period before falling back somewhat towards the end of the six months. However, late on, expectations of continued tighter central bank monetary policy pushed yields higher once again.

Japanese government bond yields rose too, but by a far smaller margin than their US, UK and European peers. However, the yield on the 10-year Japanese government bond rose late in the period on an announcement from the Bank of Japan that it was tweaking its yield curve control measures, allowing yields to move by as much as 0.50%, up from 0.25%.

The effects of the UK government's 'mini-budget' on UK Gilt yields was particularly stark midway through the period; in September alone, the yield on the 10-year Gilt rose by an eye-watering 120 basis points, although yields subsequently fell back significantly.

Spreads on US, UK and European investment grade bonds narrowed over the six months, despite having widened on the weakening economic outlook in October. High yield bond yield spreads, having also widened during the middle of the period, narrowed notably over the six months as a whole.

Manager's Investment Report continued

Fund Review

This was a very volatile period for UK fixed income markets as yields rose rapidly post the Truss/Kwarteng mini-budget in September, which prompted the Bank of England to intervene to support the Gilt market as prices collapsed. This led to Chancellor Hunt reversing his predecessor's policies, restoring stability and leading to Gilt yields falling back to their previous levels by the end of the year.

Credit spreads witnessed similar volatility, widening very sharply from late September to mid-October as forced selling to raise collateral impacted the market. 2023 saw bond markets sell off, but Sterling credit spreads remained resilient as fears of further monetary tightening returned. Ten-year Gilt yields over the review period increased from 2.94% to 3.75%. Tightening credit spreads offset much of this negative drag, with the absolute yields on offer stimulated good demand in the first two months of 2023.

The Fund's underweight to longer-dated credit held back performance into the end of the calendar year, even as we added to our credit exposure after the September/October sell off.

This reversed partially in 2023 as the overweight to shorter-dated names where wide spreads offered good carry as they rolled down towards maturity, offering compensation from around mid-January to the end of the review period. Our duration positioning delivered a positive impact with, at a single name level, the overweight to Credit Suisse a significant negative.

Outlook

Looking ahead, perhaps the most important event of March will be China's Two Sessions, which is the annual meeting of the country's two main political bodies. Policies will be revealed for many areas including the economy, military, trade, diplomacy and the environment. Investors will also be focused on the Fed and whether they continue to hike by 25bps or even increase back to 50bps. It's increasingly clear that inflation is sticky, and that central banks still have work to do to get the situation under control. This means that a recession at some point in 2023 remains a likely scenario even if China increases stimulus. Given that equity and credit spreads have not significantly corrected yet in 2023, this leaves us with a cautious outlook.

Legal & General Investment Management Limited
(Investment Adviser)
28 March 2023

Important Note from the Manager

The impacts of COVID-19 across society and business operations have significantly reduced during the course of 2022 following the vaccine roll out and milder strains of the virus coming to the fore. However, the duration of the COVID-19 pandemic and its effects cannot be determined with any certainty. As such, 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
March 2023

Authorised Status

Authorised Status

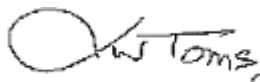
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
3 May 2023

Portfolio Statement

Portfolio Statement as at 5 March 2023

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 September 2022.

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|------------------------------|---|----------------------|-----------------------|
| | CORPORATE BONDS | | |
| | — 88.59% (88.63%) | | |
| | Short Dated — 21.11% (17.38%) | | |
| GBP2,433,000 | ABP Finance 6.25% 14/12/2026 | 2,479,582 | 0.28 |
| GBP1,947,000 | Anglian Water Services Financing 4.5% 22/02/2026 | 1,925,438 | 0.22 |
| GBP5,786,000 | Anglian Water Services Financing 2.625% 15/06/2027 | 5,241,642 | 0.60 |
| GBP4,300,000 | Banco Santander 3.125% 06/10/2026 | 4,008,024 | 0.46 |
| GBP4,000,000 | Banque Federative du Credit Mutuel 4.875% 25/09/2025 | 3,966,632 | 0.45 |
| GBP5,900,000 | Banque Federative du Credit Mutuel 5% 19/01/2026 | 5,866,984 | 0.67 |
| GBP3,508,000 | Barclays 3% 08/05/2026 | 3,240,775 | 0.37 |
| GBP8,007,000 | BAT International Finance 4% 04/09/2026 | 7,506,643 | 0.86 |
| GBP3,800,000 | BNP Paribas 1.875% 14/12/2027 | 3,239,112 | 0.37 |
| GBP4,818,000 | Canary Wharf Investment 2.625% 23/04/2025 | 4,143,465 | 0.47 |
| GBP802,000 | Citigroup 1.75% 23/10/2026 | 711,858 | 0.08 |
| GBP2,043,000 | CPI Property Group 2.75% 22/01/2028 | 1,451,429 | 0.17 |
| GBP2,879,000 | CPPIB Capital 4.375% 02/03/2026 | 2,863,597 | 0.33 |
| GBP6,900,000 | Credit Agricole 5.75% 29/11/2027 | 6,879,190 | 0.78 |
| GBP10,248,000 | Credit Suisse 1.125% 15/12/2025 | 8,768,189 | 1.00 |
| GBP5,401,000 | Credit Suisse Group 7% 30/09/2027 | 5,136,729 | 0.59 |
| GBP800,000 | Deutsche Bank 2.625% 16/12/2024 | 753,376 | 0.09 |
| GBP4,330,000 | DNB Bank 4% 17/08/2027 | 4,120,229 | 0.47 |
| GBP4,967,000 | Enel Finance International 1% 20/10/2027 | 4,132,544 | 0.47 |
| GBP107,000 | Go-Ahead Group 2.5% 06/07/2024 | 102,233 | 0.01 |
| GBP1,273,000 | Goldman Sachs Group 4.25% 29/01/2026 | 1,241,470 | 0.14 |
| GBP5,764,000 | Goldman Sachs Group 1.5% 07/12/2027 | 4,874,499 | 0.56 |
| GBP5,629,000 | Hammerson 3.5% 27/10/2025 | 5,025,301 | 0.57 |
| GBP4,266,000 | Hammerson 6% 23/02/2026 | 4,019,660 | 0.46 |
| GBP3,806,000 | HSBC 2.256% 13/11/2026 | 3,474,094 | 0.40 |
| GBP565,000 | Imperial Brands Finance 8.125% 15/03/2024 | 577,123 | 0.07 |
| GBP6,479,000 | Imperial Brands Finance 5.5% 28/09/2026 | 6,368,416 | 0.73 |
| GBP3,596,000 | Informa 3.125% 05/07/2026 | 3,309,471 | 0.38 |
| GBP9,718,000 | JPMorgan Chase & Company 0.991% 28/04/2026 | 8,852,663 | 1.01 |
| GBP690,000 | Lloyds Banking Group 1.875% 15/01/2026 | 641,511 | 0.07 |
| GBP394,301 | Mitchells & Butlers Finance 5.965% 15/12/2025 ¹ | 389,461 | 0.04 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|---------------------------------------|---|----------------------|-----------------------|
| Short Dated — (cont.) | | | |
| GBP751,000 | National Grid Electricity Distribution West Midlands 6% 09/05/2025 | 754,417 | 0.09 |
| GBP2,632,000 | Northumbrian Water Finance 1.625% 11/10/2026 | 2,327,193 | 0.27 |
| GBP4,148,000 | Northumbrian Water Finance 2.375% 05/10/2027 | 3,677,554 | 0.42 |
| GBP9,240,000 | OP Corporate Bank 1.375% 04/09/2026 | 8,020,309 | 0.92 |
| GBP1,567,000 | Rothsay Life 8% 30/10/2025 | 1,621,134 | 0.18 |
| GBP3,624,000 | Rothsay Life 3.375% 12/07/2026 | 3,303,776 | 0.38 |
| GBP4,574,000 | Royal Bank of Canada 5% 24/01/2028 | 4,536,036 | 0.52 |
| GBP3,277,000 | Santander UK Group 7.098% 16/11/2027 | 3,377,388 | 0.38 |
| GBP9,161,000 | Scottish Widows 5.5% 16/06/2023 | 9,148,926 | 1.04 |
| GBP8,823,000 | Southern Water Services Finance 6.64% 31/03/2026 | 9,096,105 | 1.04 |
| GBP5,179,000 | Stagecoach Group 4% 29/09/2025 | 4,866,613 | 0.56 |
| GBP6,077,000 | Toronto-Dominion Bank 2.875% 05/04/2027 | 5,558,027 | 0.63 |
| GBP3,485,000 | Westfield America Management 2.125% 30/03/2025 | 3,200,673 | 0.36 |
| GBP8,000,000 | Whitbread Group 3.375% 16/10/2025 | 7,505,712 | 0.86 |
| GBP2,987,000 | Whitbread Group 2.375% 31/05/2027 | 2,568,721 | 0.29 |
| | | 184,873,924 | 21.11 |
| Medium Dated — 35.00% (35.88%) | | | |
| GBP1,463,000 | Anglian Water Services Financing 2.75% 26/10/2029 | 1,276,397 | 0.15 |
| GBP10,091,000 | Annington Funding 3.184% 12/07/2029 | 8,450,002 | 0.96 |
| GBP1,245,000 | Annington Funding 2.308% 06/10/2032 | 897,961 | 0.10 |
| GBP4,467,334 | Arqiva Financing 4.882% 31/12/2032 | 4,252,101 | 0.49 |
| GBP9,730,000 | Athene Global Funding 1.875% 30/11/2028 | 7,824,165 | 0.89 |
| GBP700,000 | Banco Santander 2.25% 04/10/2032 | 572,967 | 0.07 |
| GBP8,619,000 | Bank of America 1.667% 02/06/2029 | 7,149,529 | 0.82 |
| GBP6,300,000 | Banque Federative du Credit Mutuel 1.875% 26/10/2028 | 5,319,266 | 0.61 |
| GBP5,940,000 | Barclays 6.369% 31/01/2031 | 5,955,598 | 0.68 |
| GBP297,000 | Barclays 3.25% 17/01/2033 | 236,469 | 0.03 |
| GBP4,543,000 | BAT International Finance 2.25% 26/06/2028 | 3,692,878 | 0.42 |
| GBP4,271,000 | Blackstone Property Partners Europe 4.875% 29/04/2032 | 3,394,471 | 0.39 |
| GBP6,800,000 | BNP Paribas 2.875% 24/02/2029 | 5,854,120 | 0.67 |
| GBP6,300,000 | BNP Paribas 2% 24/05/2031 | 5,464,003 | 0.62 |
| GBP5,400,000 | BNP Paribas 5.75% 13/06/2032 | 5,416,627 | 0.62 |
| GBP2,900,000 | BPCE 5.25% 16/04/2029 | 2,734,033 | 0.31 |
| GBP6,400,000 | BPCE 2.5% 30/11/2032 | 5,274,259 | 0.60 |
| GBP1,301,000 | British Telecommunications 3.125% 21/11/2031 | 1,081,269 | 0.12 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|------------------------------|--|----------------------|-----------------------|
| | Medium Dated — (cont.) | | |
| GBP5,100,000 | CaixaBank 3.5% 06/04/2028 | 4,618,050 | 0.53 |
| GBP1,568,000 | Canary Wharf Group Investment 3.375% 23/04/2028 | 1,161,801 | 0.13 |
| GBP7,100,000 | Credit Agricole 4.875% 23/10/2029 | 6,953,243 | 0.79 |
| GBP4,900,000 | Credit Agricole 1.874% 09/12/2031 | 4,114,873 | 0.47 |
| GBP8,139,000 | Credit Suisse Group 2.25% 09/06/2028 | 6,370,640 | 0.73 |
| GBP3,483,000 | Credit Suisse Group 2.125% 15/11/2029 | 2,550,315 | 0.29 |
| USD5,287,000 | Credit Suisse Group 3.091% 14/05/2032 | 3,086,024 | 0.35 |
| GBP2,895,000 | Digital Stout 3.3% 19/07/2029 | 2,476,099 | 0.28 |
| GBP946,000 | E.ON International Finance 6.25% 03/06/2030 | 984,691 | 0.11 |
| GBP3,914,000 | E.ON International Finance 6.375% 07/06/2032 | 4,158,394 | 0.48 |
| GBP6,423,000 | Enel Finance International 2.875% 11/04/2029 | 5,541,610 | 0.63 |
| GBP4,086,000 | ENW Finance 4.893% 24/11/2032 | 3,948,392 | 0.45 |
| GBP537,000 | Gatwick Funding 2.5% 15/04/2032 | 440,672 | 0.05 |
| GBP6,911,000 | Goldman Sachs 3.625% 29/10/2029 | 6,221,490 | 0.71 |
| GBP4,543,000 | Goldman Sachs Group 1.875% 16/12/2030 | 3,506,215 | 0.40 |
| GBP1,622,000 | Heathrow Funding 7.075% 04/08/2028 | 1,714,319 | 0.20 |
| GBP1,475,000 | Heathrow Funding 6.75% 03/12/2028 | 1,527,191 | 0.17 |
| GBP2,814,000 | Heathrow Funding 6.45% 10/12/2031 | 2,938,598 | 0.34 |
| GBP6,400,000 | HSBC 3% 22/07/2028 | 5,724,800 | 0.65 |
| GBP5,250,000 | HSBC 6.75% 11/09/2028 | 5,348,490 | 0.61 |
| GBP2,267,000 | HSBC 3% 29/05/2030 | 1,932,167 | 0.22 |
| GBP8,172,000 | IG Group 3.125% 18/11/2028 | 6,330,930 | 0.72 |
| GBP190,000 | Imperial Brands Finance 4.875% 07/06/2032 | 161,973 | 0.02 |
| GBP5,140,000 | Intesa Sanpaolo 2.5% 15/01/2030 | 4,083,350 | 0.47 |
| GBP5,200,000 | KBC Group 5.5% 20/09/2028 | 5,147,698 | 0.59 |
| GBP11,600,000 | La Banque Postale 5.625% 21/09/2028 | 11,401,906 | 1.30 |
| GBP5,543,000 | Lloyds Bank 6% 08/02/2029 | 5,889,826 | 0.67 |
| GBP4,344,000 | Lloyds Banking Group 1.985% 15/12/2031 | 3,713,842 | 0.42 |
| GBP10,959,000 | Logicor 2019-1 UK 1.875% 17/11/2031 | 9,648,571 | 1.10 |
| GBP3,394,000 | Logicor Financing 2.75% 15/01/2030 | 2,625,266 | 0.30 |
| GBP3,012,000 | Metropolitan Life Global Funding I 5% 10/01/2030 | 2,995,024 | 0.34 |
| GBP3,048,000 | National Gas Transmission 1.375% 07/02/2031 | 2,240,048 | 0.26 |
| GBP3,759,000 | National Grid Electricity Distribution East Midlands 1.75% 09/09/2031 | 2,831,997 | 0.32 |
| GBP9,292,000 | National Grid Electricity Transmission 1.125% 07/07/2028 | 7,542,525 | 0.86 |
| GBP9,277,000 | Nats En Route 1.375% 31/03/2031 | 7,847,988 | 0.90 |
| GBP3,890,000 | NIE Finance 5.875% 01/12/2032 | 4,041,866 | 0.46 |
| GBP4,381,000 | Northumbrian Water Finance 4.5% 14/02/2031 | 4,118,447 | 0.47 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|-------------------------------------|---|----------------------|-----------------------|
| Medium Dated — (cont.) | | | |
| GBP5,100,000 | Orange 3.25% 15/01/2032 | 4,386,938 | 0.50 |
| GBP390,000 | Orsted 4.875% 12/01/2032 | 382,078 | 0.04 |
| GBP1,295,000 | Pension Insurance 4.625% 07/05/2031 | 1,093,868 | 0.13 |
| GBP2,760,000 | Pension Insurance 3.625% 21/10/2032 | 2,108,519 | 0.24 |
| GBP1,557,000 | Prudential 6.125% 19/12/2031 | 1,561,319 | 0.18 |
| GBP2,430,000 | Quadgas Finance 3.375% 17/09/2029 | 1,995,536 | 0.23 |
| GBP4,181,000 | Sage Group 1.625% 25/02/2031 | 3,173,284 | 0.36 |
| EUR1,763,000 | Segro Capital 1.875% 23/03/2030 | 1,296,134 | 0.15 |
| GBP2,564,000 | Severn Trent Utilities Finance 2.625% 22/02/2033 | 2,051,492 | 0.23 |
| GBP1,510,000 | South Eastern Power Networks 6.375% 12/11/2031 | 1,625,014 | 0.19 |
| GBP4,234,000 | Southern Water Services Finance 2.375% 28/05/2028 | 3,628,830 | 0.41 |
| GBP3,389,000 | SP Transmission 2% 13/11/2031 | 2,693,794 | 0.31 |
| GBP3,173,000 | Svenska Handelsbanken 4.625% 23/08/2032 | 2,983,515 | 0.34 |
| GBP6,932,000 | Tesco Corporate Treasury Services 2.75% 27/04/2030 | 5,807,394 | 0.66 |
| GBP1,014,058 | Trafford Centre Finance 7.03% 28/01/2029 | 946,770 | 0.11 |
| GBP5,364,000 | UBS Group 1.875% 03/11/2029 | 4,439,987 | 0.51 |
| GBP1,133,000 | United Utilities Water Finance 0.875% 28/10/2029 | 871,654 | 0.10 |
| GBP8,782,000 | United Utilities Water Finance 2.625% 12/02/2031 | 7,431,328 | 0.85 |
| GBP7,616,000 | Verizon Communications 1.125% 03/11/2028 | 6,142,304 | 0.70 |
| GBP4,505,000 | Verizon Communications 2.5% 08/04/2031 | 3,684,171 | 0.42 |
| GBP4,749,000 | Wells Fargo & Company 2.5% 02/05/2029 | 3,993,330 | 0.46 |
| GBP1,166,000 | Wells Fargo & Company 3.5% 12/09/2029 | 1,035,140 | 0.12 |
| GBP3,472,000 | Wells Fargo & Company 2.125% 24/09/2031 | 2,686,988 | 0.31 |
| GBP5,323,000 | Westfield America Management 2.625% 30/03/2029 | 4,263,993 | 0.49 |
| EUR300,000 | Wintershall Dea Finance 1.823% 25/09/2031 | 204,672 | 0.02 |
| GBP4,779,000 | Yorkshire Building Society 1.5% 15/09/2029 | 3,800,548 | 0.43 |
| GBP1,697,000 | Yorkshire Building Society 3.511% 11/10/2030 | 1,467,169 | 0.17 |
| Long Dated — 32.48% (35.37%) | | 306,541,215 | 35.00 |
| GBP2,456,000 | 3i Group 3.75% 05/06/2040 | 1,829,694 | 0.21 |
| GBP222,000 | AA Bond 6.269% 02/07/2043 | 216,985 | 0.02 |
| GBP3,049,000 | AA Bond 3.25% 31/07/2050 | 2,407,704 | 0.27 |
| GBP1,857,000 | AA Bond 8.45% 31/07/2050 | 1,867,993 | 0.21 |
| USD3,400,000 | Allianz 3.5% 30/04/2079 | 2,393,353 | 0.27 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|------------------------------|---|----------------------|-----------------------|
| Long Dated — (cont.) | | | |
| GBP568,000 | America Movil 4.375% 07/08/2041 | 474,959 | 0.05 |
| GBP3,261,000 | Annington Funding 3.685% 12/07/2034 | 2,556,454 | 0.29 |
| GBP3,448,000 | Annington Funding 3.935% 12/07/2047 | 2,368,742 | 0.27 |
| GBP2,083,000 | Annington Funding 2.924% 06/10/2051 | 1,129,169 | 0.13 |
| GBP1,801,000 | Arqiva Financing 5.34% 30/12/2037 | 1,707,031 | 0.19 |
| GBP394,000 | Associated British Foods 2.5% 16/06/2034 | 312,325 | 0.04 |
| EUR235,000 | AT&T 3.375% 15/03/2034 | 188,415 | 0.02 |
| EUR400,000 | AT&T 3.15% 04/09/2036 | 301,054 | 0.03 |
| GBP6,380,000 | AT&T 4.875% 01/06/2044 | 5,404,587 | 0.62 |
| GBP5,570,000 | Aviva 6.125% 14/11/2036 | 5,575,570 | 0.64 |
| GBP5,647,000 | Aviva 4.375% 12/09/2049 | 5,008,708 | 0.57 |
| GBP2,419,000 | Aviva 4% 03/06/2055 | 1,886,421 | 0.22 |
| GBP1,503,000 | AXA 5.453% Open Maturity | 1,482,319 | 0.17 |
| GBP1,488,000 | AXA 6.686% Open Maturity | 1,506,719 | 0.17 |
| GBP1,189,000 | BAT International Finance 6% 24/11/2034 | 1,061,113 | 0.12 |
| GBP843,000 | BAT International Finance 4% 23/11/2055 | 467,624 | 0.05 |
| GBP4,140,000 | Bazalgette Finance 2.75% 10/03/2034 | 3,263,802 | 0.37 |
| GBP6,074,000 | Berkshire Hathaway Finance 2.375% 19/06/2039 | 4,258,056 | 0.49 |
| EUR200,000 | Bouygues 3.25% 30/06/2037 | 156,028 | 0.02 |
| GBP174,000 | British Telecommunications 6.375% 23/06/2037 | 174,689 | 0.02 |
| GBP3,355,000 | British Telecommunications 5.75% 13/02/2041 | 3,121,734 | 0.36 |
| GBP1,107,000 | British Telecommunications 3.625% 21/11/2047 | 753,840 | 0.09 |
| GBP1,336,000 | Cadent Finance 2.625% 22/09/2038 | 896,015 | 0.10 |
| GBP1,052,000 | Cadent Finance 2.75% 22/09/2046 | 623,531 | 0.07 |
| GBP4,400,000 | CaixaBank 6.875% 25/10/2033 | 4,343,416 | 0.50 |
| GBP2,155,859 | Canary Wharf Finance II 6.455% 22/10/2033 | 2,190,656 | 0.25 |
| GBP50,189 | Canary Wharf Finance II 6.8% 22/10/2033 | 51,129 | 0.01 |
| GBP5,450,000 | Centrica 7% 19/09/2033 | 5,961,284 | 0.68 |
| GBP2,441,000 | Centrica 4.25% 12/09/2044 | 1,889,858 | 0.22 |
| GBP2,895,000 | Channel Link Enterprises Finance 3.043% 30/06/2050 | 2,456,176 | 0.28 |
| GBP8,434,763 | Connect Plus M25 Issuer 2.607% 31/03/2039 | 6,801,875 | 0.78 |
| GBP4,096,000 | CPPIB Capital 1.625% 22/10/2071 | 1,668,669 | 0.19 |
| GBP6,813,000 | CPUK Finance 3.588% 28/02/2042 | 6,391,862 | 0.73 |
| GBP8,969,000 | DWR Cymru Financing UK 2.375% 31/03/2034 | 6,536,161 | 0.75 |
| GBP1,650,000 | E.ON International Finance 5.875% 30/10/2037 | 1,654,263 | 0.19 |
| GBP9,400,000 | E.ON International Finance 6.125% 06/07/2039 | 9,632,086 | 1.10 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|------------------------------|---|----------------------|-----------------------|
| Long Dated — (cont.) | | | |
| GBP4,414,000 | Eastern Power Networks 2.125% 25/11/2033 | 3,312,733 | 0.38 |
| GBP1,050,000 | Electricite de France 6.125% 02/06/2034 | 1,057,957 | 0.12 |
| GBP4,000,000 | Electricite de France 5.5% 17/10/2041 | 3,622,728 | 0.41 |
| GBP1,350,000 | Electricite de France 5.125% 22/09/2050 | 1,126,383 | 0.13 |
| GBP4,100,000 | Electricite de France 5.625% 25/01/2053 | 3,657,610 | 0.42 |
| GBP2,400,000 | Electricite de France 6% 23/01/2114 | 2,148,413 | 0.25 |
| EUR183,000 | Eli Lilly & Company 1.7% 01/11/2049 | 104,279 | 0.01 |
| GBP3,600,000 | Engie 5% 01/10/2060 | 3,234,960 | 0.37 |
| GBP3,276,000 | ESB Finance 1.875% 21/07/2035 | 2,316,682 | 0.26 |
| GBP631,271 | Greene King Finance 5.106% 15/03/2034 | 569,729 | 0.06 |
| GBP1,005,000 | Greene King Finance 5.702% 15/12/2034 | 757,770 | 0.09 |
| GBP3,498,935 | Greene King Finance 3.593% 15/03/2035 | 2,910,227 | 0.33 |
| GBP1,349,451 | Gwyn y Mor 2.778% 17/02/2034 | 1,163,600 | 0.13 |
| GBP8,571,000 | Heathrow Funding 4.625% 31/10/2046 | 7,051,327 | 0.80 |
| GBP2,202,000 | HSBC Bank 6.25% 30/01/2041 | 2,201,093 | 0.25 |
| GBP713,000 | HSBC Bank 4.75% 24/03/2046 | 588,724 | 0.07 |
| USD500,000 | HSBC Capital Funding Dollar 1 10.176% Open Maturity | 515,395 | 0.06 |
| EUR100,000 | JAB 3.375% 17/04/2035 | 75,342 | 0.01 |
| EUR100,000 | JAB 2.25% 19/12/2039 | 59,722 | 0.01 |
| EUR200,000 | Linde 1% 30/09/2051 | 91,916 | 0.01 |
| GBP1,510,000 | LiveWest Treasury 5.576% 02/10/2048 | 1,504,338 | 0.17 |
| GBP4,577,000 | Lloyds Banking Group 6.625% 02/06/2033 | 4,561,746 | 0.52 |
| GBP141,000 | Lloyds Banking Group 2.707% 03/12/2035 | 107,574 | 0.01 |
| GBP814,000 | M&G 5.625% 20/10/2051 | 736,476 | 0.08 |
| GBP5,546,000 | M&G 5.56% 20/07/2055 | 4,782,837 | 0.55 |
| GBP165,000 | Manchester Airport Group Funding 2.875% 31/03/2039 | 116,630 | 0.01 |
| GBP1,119,000 | Manchester Airport Group Funding 2.875% 30/09/2044 | 721,498 | 0.08 |
| GBP5,541,000 | Marston's Issuer 5.641% 15/07/2035 ¹ | 4,216,888 | 0.48 |
| GBP2,327,000 | McDonald's 3.75% 31/05/2038 | 1,943,264 | 0.22 |
| EUR236,000 | Medtronic Global 1.375% 15/10/2040 | 133,841 | 0.02 |
| EUR191,000 | Mondelez International - Netherlands 1.25% 09/09/2041 | 105,052 | 0.01 |
| GBP5,595,000 | Morgan Stanley 5.789% 18/11/2033 | 5,599,968 | 0.64 |
| GBP3,933,000 | National Grid Electricity Transmission 2% 16/09/2038 | 2,471,081 | 0.28 |
| GBP4,980,000 | National Grid Electricity Transmission 5.272% 18/01/2043 | 4,672,395 | 0.53 |
| GBP3,151,000 | Nats En Route 1.75% 30/09/2033 | 2,279,799 | 0.26 |
| GBP3,052,000 | NatWest Group 7.416% 06/06/2033 | 3,116,525 | 0.36 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|------------------------------|--|----------------------|-----------------------|
| | Long Dated — (cont.) | | |
| GBP3,132,000 | Northern Electric Finance 2.75% 24/05/2049 | 2,023,642 | 0.23 |
| GBP3,284,000 | Northern Powergrid - Northeast 3.25% 01/04/2052 | 2,288,685 | 0.26 |
| GBP511,000 | Northern Powergrid - Yorkshire 2.25% 09/10/2059 | 270,948 | 0.03 |
| GBP2,727,000 | Northumbrian Water Finance 6.375% 28/10/2034 | 2,900,759 | 0.33 |
| GBP4,622,000 | Orsted 5.375% 13/09/2042 | 4,498,454 | 0.51 |
| GBP6,837,000 | Orsted 2.5% 18/02/3021 | 4,676,111 | 0.53 |
| GBP8,764,000 | QBE Insurance Group 2.5% 13/09/2038 | 6,791,581 | 0.78 |
| GBP4,818,000 | RAC Bond 4.565% 06/05/2046 | 4,808,364 | 0.55 |
| GBP1,048,000 | RAC Bond 4.87% 06/05/2046 | 973,025 | 0.11 |
| GBP1,730,000 | Realty Income 2.5% 14/01/2042 | 1,111,622 | 0.13 |
| GBP5,209,000 | RL Finance Bonds No. 2 6.125% 30/11/2043 | 5,172,735 | 0.59 |
| GBP1,589,896 | RMPA Services 5.337% 30/09/2038 | 1,588,290 | 0.18 |
| GBP2,205,000 | RSA Insurance Group 5.125% 10/10/2045 | 2,126,590 | 0.24 |
| EUR200,000 | RTE Reseau de Transport d'Electricite 1.125% 08/07/2040 | 114,016 | 0.01 |
| GBP150,000 | Scotland Gas Networks 4.875% 21/12/2034 | 139,113 | 0.02 |
| GBP3,795,000 | Segro 5.125% 06/12/2041 | 3,605,124 | 0.41 |
| GBP2,715,000 | Severn Trent Utilities Finance 4.625% 30/11/2034 | 2,549,081 | 0.29 |
| EUR159,000 | Southern 1.875% 15/09/2081 | 111,088 | 0.01 |
| GBP945,000 | Standard Chartered 5.125% 06/06/2034 | 875,531 | 0.10 |
| EUR197,000 | Takeda Pharmaceutical 2% 09/07/2040 | 121,202 | 0.01 |
| EUR700,000 | Telefonica Emisiones 1.864% 13/07/2040 | 426,585 | 0.05 |
| GBP3,691,459 | Telereal Securitisation 5.389% 10/12/2033 | 3,678,225 | 0.42 |
| GBP7,300,000 | Telereal Securitisation 5.948% 10/12/2033 | 6,358,715 | 0.73 |
| GBP2,431,000 | Telereal Securitisation 7.098% 10/12/2033 | 2,161,174 | 0.25 |
| GBP7,400,000 | Telereal Securitisation 3.563% 10/12/2036 | 6,445,820 | 0.74 |
| GBP2,539,498 | Tesco Property Finance 1 7.623% 13/07/2039 | 2,803,659 | 0.32 |
| GBP413,743 | Tesco Property Finance 2 6.052% 13/10/2039 | 412,011 | 0.05 |
| GBP1,388,383 | Tesco Property Finance 3 5.744% 13/04/2040 | 1,340,622 | 0.15 |
| GBP780,827 | Tesco Property Finance 4 5.801% 13/10/2040 | 756,108 | 0.09 |
| GBP133,865 | Tesco Property Finance 6 5.411% 13/07/2044 | 123,323 | 0.01 |
| GBP616,000 | Thames Water Utilities Finance 4.625% 04/06/2046 | 509,177 | 0.06 |
| GBP2,354,000 | Thames Water Utilities Finance 7.738% 09/04/2058 | 2,936,485 | 0.33 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|-------------------------------------|---|----------------------|-----------------------|
| Long Dated — (cont.) | | | |
| EUR211,000 | Thermo Fisher Scientific Finance 1 1.625% 18/10/2041 | 123,611 | 0.01 |
| GBP938,000 | Time Warner Cable 5.25% 15/07/2042 | 765,980 | 0.09 |
| GBP3,057,000 | United Utilities Water Finance 2% 03/07/2033 | 2,309,013 | 0.26 |
| GBP6,575,000 | Vattenfall 2.5% 29/06/2083 | 5,441,404 | 0.62 |
| GBP195,000 | Verizon Communications 3.125% 02/11/2035 | 152,680 | 0.02 |
| GBP1,090,000 | Verizon Communications 3.375% 27/10/2036 | 861,028 | 0.10 |
| EUR209,000 | Verizon Communications 2.875% 15/01/2038 | 151,201 | 0.02 |
| EUR100,000 | Vienna Insurance 4.875% 15/06/2042 | 81,893 | 0.01 |
| GBP2,265,000 | Vodafone Group 3.375% 08/08/2049 | 1,465,002 | 0.17 |
| GBP4,607,000 | Vodafone Group 5.125% 02/12/2052 | 3,973,851 | 0.45 |
| GBP707,000 | Vodafone Group 3% 12/08/2056 | 398,223 | 0.05 |
| GBP1,024,000 | Walmart 5.625% 27/03/2034 | 1,113,487 | 0.13 |
| GBP929,000 | Wellcome Trust 2.517% 07/02/2118 | 485,644 | 0.06 |
| GBP100,000 | Wells Fargo & Company 4.875% 29/11/2035 | 91,433 | 0.01 |
| GBP2,412,000 | Yorkshire Water Finance 5.5% 28/04/2035 | 2,382,332 | 0.27 |
| GBP1,904,000 | Yorkshire Water Finance 2.75% 18/04/2041 | 1,305,527 | 0.15 |
| GBP7,622,000 | Yorkshire Water Finance 3.75% 22/03/2046 | 7,615,858 | 0.87 |
| GBP4,987,000 | Zurich Finance Ireland Designated Activity 5.125% 23/11/2052 | 4,515,020 | 0.52 |
| | | 284,539,623 | 32.48 |
| GOVERNMENT BONDS | | | |
| — 8.98% (5.95%) | | | |
| Medium Dated — 4.63% (0.11%) | | | |
| GBP14,125,600 | United Kingdom Gilt 4.75% 07/12/2030 | 15,108,177 | 1.72 |
| GBP24,516,869 | United Kingdom Gilt 4.25% 07/06/2032 | 25,468,124 | 2.91 |
| | | 40,576,301 | 4.63 |
| Long Dated — 4.35% (5.84%) | | | |
| GBP17,997,240 | United Kingdom Gilt 1.75% 07/09/2037 | 13,393,546 | 1.53 |
| GBP2,176,000 | United Kingdom Gilt 4.75% 07/12/2038 | 2,330,468 | 0.27 |
| GBP13,108,732 | United Kingdom Gilt 1.25% 22/10/2041 | 8,139,311 | 0.93 |
| GBP5,841,000 | United Kingdom Gilt 4.5% 07/12/2042 | 6,055,511 | 0.69 |
| GBP4,258,000 | United Kingdom Gilt 1.5% 22/07/2047 | 2,489,068 | 0.28 |
| GBP3,288,000 | United Kingdom Gilt 4.25% 07/12/2049 | 3,288,329 | 0.38 |
| GBP566,580 | United Kingdom Gilt 0.625% 22/10/2050 | 238,474 | 0.03 |

Portfolio Statement continued

| Holding/ Nominal Value | Investment | Market Value £ | % of Net Assets |
|---|---|----------------------|-----------------------|
| Long Dated — (cont.) | | | |
| GBP1,166,000 | United Kingdom Gilt 1.75% 22/07/2057 | 665,560 | 0.08 |
| GBP2,249,136 | United Kingdom Gilt 0.5% 22/10/2061 | 728,832 | 0.08 |
| GBP1,397,209 | United Kingdom Gilt 1.625% 22/10/2071 | 709,657 | 0.08 |
| | | 38,038,756 | 4.35 |
| FORWARD CURRENCY CONTRACTS — -0.01% (-0.14%) | | | |
| USD(274,000) | Sold US Dollars | | |
| GBP221,436 | for Sterling (Expires 19/04/2023) ² | (6,586) | — |
| USD(20,000) | Sold US Dollars | | |
| GBP16,551 | for Sterling (Expires 19/04/2023) ² | (93) | — |
| EUR(4,139,798) | Sold Euro | | |
| GBP3,686,536 | for Sterling (Expires 19/04/2023) ² | 19,427 | — |
| USD(3,611,196) | Sold US Dollars | | |
| GBP2,954,746 | for Sterling (Expires 19/04/2023) ² | (50,484) | (0.01) |
| EUR(6,432,602) | Sold Euro | | |
| GBP5,729,503 | for Sterling (Expires 19/04/2023) ² | 31,387 | — |
| USD(3,745,862) | Sold US Dollars | | |
| GBP3,066,990 | for Sterling (Expires 19/04/2023) ² | (50,309) | — |
| | | (56,658) | (0.01) |
| FUTURES CONTRACTS — -0.01% (-0.05%) | | | |
| 11 | Euro-Bobl Future Expiry June 2023 | (389) | — |
| (93) | Euro-Bund Future Expiry June 2023 | 2,474 | — |
| 116 | Long Gilt Future Expiry June 2023 | (134,497) | (0.01) |
| (30) | Ultra US Treasury Notes Future Expiry June 2023 | 4,109 | — |
| (11) | US 5 Year Treasury Notes Future Expiry June 2023 | 4,725 | — |
| (12) | US Treasury Bonds Future Expiry June 2023 | 3,514 | — |
| | | (120,064) | (0.01) |
| Portfolio of investments³ | | 854,393,097 | 97.55 |
| Net other assets | | 21,477,862 | 2.45 |
| Total net assets | | £875,870,959 | 100.00% |

¹ These are sub-investment grade fixed interest securities and represent 0.61% of the net assets of the Fund.

² Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

³ Including investment liabilities.

Total purchases for the period: £289,600,447.

Total sales for the period: £249,113,708.

Financial Statements

Statement of Total Return for the period ended 5 March 2023

| | 05/03/23 | | 05/03/22 | |
|---|---------------|--------------|---------------|--------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Net capital losses | | (14,331,316) | | (91,630,652) |
| Revenue | 15,793,114 | | 13,909,228 | |
| Expenses | (1,219,334) | | (1,845,691) | |
| Interest payable and similar charges | (52,370) | | (263,737) | |
| Net revenue before taxation | 14,521,410 | | 11,799,800 | |
| Taxation | — | | — | |
| Net revenue after taxation for the period | 14,521,410 | | 11,799,800 | |
| Total return before distributions | 190,094 | | (79,830,852) | |
| Distributions | (14,521,410) | | (11,799,800) | |
| Change in net assets attributable to Unitholders from investment activities | £(14,331,316) | | £(91,630,652) | |

Statement of Change in Net Assets attributable to Unitholders for the period ended 5 March 2023

| | 05/03/23 | | 05/03/22 | |
|---|--------------|-------------|----------------|---------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Unitholders | | 878,399,928 | | 1,202,321,920 |
| Amounts received on issue of units | 51,234,665 | | 420,394,148 | |
| Amounts paid on cancellation of units | (46,475,808) | | (452,588,923) | |
| | 4,758,857 | | (32,194,775) | |
| Change in net assets attributable to Unitholders from investment activities | (14,331,316) | | (91,630,652) | |
| Retained distributions on accumulation units | 7,043,172 | | 6,013,476 | |
| Unclaimed distributions | 318 | | 124 | |
| Closing net assets attributable to Unitholders | £875,870,959 | | £1,084,510,093 | |

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 5 March 2023

| | 05/03/23 £ | 05/09/22 £ |
|---|---------------------|---------------------|
| ASSETS | | |
| Fixed assets: | | |
| Investments | 854,635,455 | 830,813,829 |
| Current assets: | | |
| Debtors | 13,645,965 | 17,796,113 |
| Cash and bank balances | 16,734,030 | 43,620,976 |
| Total assets | 885,015,450 | 892,230,918 |
| LIABILITIES | | |
| Investment liabilities | (242,358) | (1,698,489) |
| Creditors: | | |
| Bank overdrafts | (3,254,903) | (2,193,282) |
| Distributions payable | (4,052,880) | (3,088,332) |
| Other creditors | (1,594,350) | (6,850,887) |
| Total liabilities | (9,144,491) | (13,830,990) |
| Net assets attributable to Unitholders | £875,870,959 | £878,399,928 |

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 | 6,856,405 | 11,379,654 | 60.25 |
| Accumulation Units | 10,593,358 | 8,202,041 | 129.16 |
| F-Class | | | |
| Distribution Units | 23,491 | 38,590 | 60.87 |
| Accumulation Units | 30,779 | 22,786 | 135.08 |
| I-Class | | | |
| Distribution Units | 223,972,404 | 371,655,246 | 60.26 |
| Accumulation Units | 419,827,479 | 298,462,670 | 140.66 |
| L-Class | | | |
| Distribution Units | 214,567,043 | 510,488,140 | 42.03 |

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.

Ongoing Charges Figures

| | 5 Mar 23 | 5 Sep 22 |
|---------|----------|----------|
| R-Class | 0.92% | 0.92% |
| F-Class | 0.57% | 0.57% |
| I-Class | 0.33% | 0.33% |
| L-Class | 0.05% | 0.05% |

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.

Fund Information continued

Distribution Information

R-Class

The distribution payable on 5 May 2023 is 0.4389p per unit for distribution units and 0.9327p per unit for accumulation units.

F-Class

The distribution payable on 5 May 2023 is 0.4971p per unit for distribution units and 1.0953p per unit for accumulation units.

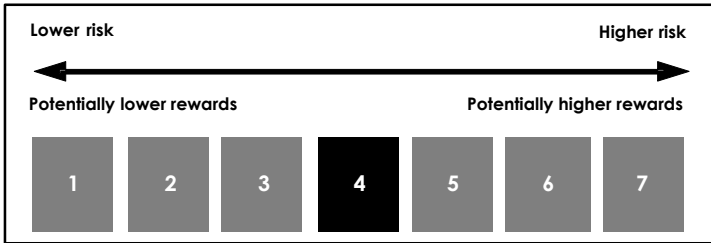
I-Class

The distribution payable on 5 May 2023 is 0.5291p per unit for distribution units and 1.2243p per unit for accumulation units.

L-Class

The distribution payable on 5 May 2023 is 0.3988p per unit for distribution 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: | 8 March 1988 | | | | | | | | |
| Period end dates for distributions: | 5 March, June, September and December | | | | | | | | |
| Distribution dates: | 5 February, May, August and November | | | | | | | | |
| Minimum initial lump sum investment: | <table><tr><td>R-Class</td><td>£100</td></tr><tr><td>I-Class</td><td>£1,000,000</td></tr><tr><td>L-Class*</td><td>£100,000</td></tr></table> | R-Class | £100 | I-Class | £1,000,000 | L-Class* | £100,000 | | |
| R-Class | £100 | | | | | | | | |
| I-Class | £1,000,000 | | | | | | | | |
| L-Class* | £100,000 | | | | | | | | |
| Minimum monthly contributions: | <table><tr><td>R-Class</td><td>£20</td></tr><tr><td>I-Class</td><td>N/A</td></tr><tr><td>L-Class*</td><td>N/A</td></tr></table> | R-Class | £20 | I-Class | N/A | L-Class* | N/A | | |
| R-Class | £20 | | | | | | | | |
| I-Class | N/A | | | | | | | | |
| L-Class* | N/A | | | | | | | | |
| Valuation point: | 12 noon | | | | | | | | |
| Fund management fees: | <table><tr><td>R-Class</td><td>Annual 0.92%</td></tr><tr><td>F-Class**</td><td>Annual 0.57%</td></tr><tr><td>I-Class</td><td>Annual 0.33%</td></tr><tr><td>L-Class*</td><td>Annual 0.05%</td></tr></table> | R-Class | Annual 0.92% | F-Class** | Annual 0.57% | I-Class | Annual 0.33% | L-Class* | Annual 0.05% |
| R-Class | Annual 0.92% | | | | | | | | |
| F-Class** | Annual 0.57% | | | | | | | | |
| I-Class | Annual 0.33% | | | | | | | | |
| L-Class* | Annual 0.05% | | | | | | | | |
| Initial charges: | Nil for all existing unit classes | | | | | | | | |

* 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 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.

General Information 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.

Significant Change

Change in Investment Objective and Policy

With effect from 31 March 2023, the Funds Investment Objectives & Policy has been updated to better reflect how the Fund is managed. The amended Investment Objectives & Policy can be seen below:

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).

The Fund may hold up to 5% in unrated bonds whose credit worthiness 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.

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

General Information continued

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.

Notifiable Change

Prospectus Updates

Following a review, the Risk Factors section of the Prospectus (including the Table of Fund specific risks) was updated on 30 December 2022.

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.

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
A. D. Clare* (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,
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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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