

Legal & General Emerging Markets Government  
Bond (US\$) Index Fund

**Interim Manager's Report  
for the period ended  
10 May 2023  
(Unaudited)**





# Contents

	<b>Page Number</b>
Manager's Investment Report	2
Authorised Status	5
Directors' Statement	5
Portfolio Statement	6
Statement of Total Return	15
Statement of Change in Net Assets attributable to Unitholders	15
Balance Sheet	16
Notes to the Financial Statements	17
Fund Information	18
Risk and Reward Profile	20
General Information	21

# Manager's Investment Report

## Investment Objective and Policy

The Investment Objective and Policy of the Fund as disclosed within the Scheme Prospectus was updated with effect from 20 December 2022. The previous and revised Investment Objective and Policy are set out below:

### Prior to 20 December 2022

The objective of the Fund is to provide income by tracking the performance of the JPMorgan Emerging Markets Bond Index Plus, the "Benchmark Index". This objective is after the deduction of charges and taxation.

The Benchmark Index is comprised of bonds issued by the governments of emerging market countries in U.S. Dollars in accordance with the Index provider's methodology. The Fund may invest in sub-investment grade bonds.

The Fund is a Replicating Fund as it seeks to replicate as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The Fund will have at least 80% exposure to assets that are included in the Benchmark Index.

The Fund may also invest in bonds which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an Associate as well as money market instruments (such as Treasury bills), cash and permitted deposits.

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

### From 20 December 2022

The objective of the Fund is to track the performance of the JPMorgan Emerging Markets Bond Index Plus (the "Benchmark Index") before fees and expenses are applied. Therefore, the Fund's performance may differ from the Benchmark Index due to the deduction of fees and expenses and the impact of any tracking error factors.

The Benchmark Index is comprised of bonds issued by the governments of emerging market countries in U.S. Dollars in accordance with the Index provider's methodology. The Fund may invest in sub-investment grade bonds.

The Fund is a Replicating Fund as it seeks to replicate as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The Fund will have at least 80% exposure to assets that are included in the Benchmark Index.

The Fund may also invest in bonds which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an Associate as well as money market instruments (such as Treasury bills), cash and permitted deposits.

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

## Manager's Investment Report continued

### Manager's Investment Report

During the period under review, the published price of the Fund's I-Class accumulation units decreased by 1.61%. JP Morgan Chase, the Index compiler, calculates the Benchmark Index at the end of the business day using closing bid prices, whereas the Fund is valued using prevailing mid prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review period, the Fund decreased by 0.94%, compared with a decrease in the Index of 0.97% (Source: Rimes), producing a tracking difference of +0.03%.

**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 continued to dominate the thoughts of market participants. Fears of an economic slowdown remain 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.

The UK continued to raise rates during the six months, hitting 4.25% in March – its 11th consecutive hike and taking rates to their highest level since 2008. In the US, the Federal Reserve has continued with its monetary tightening; having hiked in four successive 75 basis-point increments, it slowed its pace of rises with a 50 basis-point rise in December and 25-basis point hikes in February and March, to take the headline rate to between 4.75% and 5.00%.

In Europe, the European Central Bank (ECB) continued to raise rates over the period; in October it hiked by 0.75% and it followed up with 50 basis-point hikes in December, February and March, to take rates to 3.5%; they are expected to rise to 3.75% by September, matching the ECB's 2001 all-time high.

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.

Global equity markets rose very strongly over the six months in US Dollar terms despite stubbornly high inflation, heightened rate-rise expectations and recessionary fears coming to the fore.

Benchmark developed market government bond yields painted a mixed picture over the period. The yield on the 10-year US treasury fell (prices rose) over the six months, with the fall exaggerated late on in the period in reaction to fears around the global banking system. Meanwhile, the yield on the 10-year German bund edged higher over the period, a trend matched by the 10-year UK gilt.

Japanese government bond yields rose too; the yield on the 10-year Japanese government bond moved higher midway through 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 0.5%, up from 0.25%. Credit spreads on US, UK and European investment-grade bonds narrowed over the six months, despite having widened on the weakening economic outlook at the start of the review period. High yield bond yield

## Manager's Investment Report continued

spreads, having also widened early in the period, narrowed over the six months.

### Fund Review

All investment activity was prompted either by unit holder investment or redemption, or by changes in the profile of the Benchmark. The Fund experienced net positive cash flow during the review period.

The Fund's bond holdings performed in line with US treasuries over the review period, the Index yield spread over US treasuries settling at 422 basis points. The EMBI+ Index had 174 constituents at the beginning and at the end of the review period. There was no change to the country composition of the Index, with 26 countries represented.

The regional breakdown of the Index at the end of the review period was EMEA (Europe, Middle East and Africa) 48.98%, Latin America 42.41% and Asia 8.61%. The most significant changes were reductions in the Index weights of Oman (-1.95%), Qatar (-1.46%), and Indonesia (-1.11%), with increases in the weights of Hungary (+1.49%), Columbia (+1.46%), and Brazil (+0.97%).

At the end of the period, the Fund held 173 bonds issued by 28 countries. The Index consisted of 174 bonds issued by 26 countries.

### Outlook

Looking ahead, government bond markets are pricing further modest rate hikes in Europe and the US, and then easier policy by the end of the year as growth weakens and inflation pressure fades. Equity markets have been boosted by the approaching end of the rate hiking cycle, but with little risk premium for growth risks. In particular, while banking volatility reduced during April, First Republic Bank's demise at the end of the month suggests that more stress could be expected. Geopolitics is also likely to be a headwind for markets, with the US debt ceiling approaching as well as the G7 meeting in Japan, when President Biden could reveal his long-anticipated China investment rules. Given current market valuations, we therefore maintain our overall cautious equity and credit view.

The Fund remains well placed to capture the performance of the Index.

Legal & General (Unit Trust Managers) Limited  
(Investment Adviser)  
May 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 Trust.

Legal & General (Unit Trust Managers) Limited  
May 2023

## Authorised Status

### Authorised Status

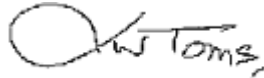
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
5 July 2023

## Portfolio Statement

### Portfolio Statement as at 10 May 2023

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 10 November 2022.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>NORTH AMERICA — 19.15% (17.59%)</b>			
<b>Cayman Islands — 2.06% (1.52%)</b>			
USD7,585,000	KSA Sukuk 5.268% 25/10/2028	6,315,786	0.78
USD4,000,000	KSA Sukuk 4.303% 19/01/2029	3,191,854	0.40
USD4,700,000	KSA Sukuk 2.969% 29/10/2029	3,467,128	0.43
USD5,200,000	KSA Sukuk 2.25% 17/05/2031	3,596,600	0.45
		16,571,368	2.06
<b>Dominican Republic — 5.00% (4.77%)</b>			
USD7,000,000	Dominican Republic International Bond 5.5% 22/02/2029 <sup>1</sup>	5,266,712	0.66
USD7,760,000	Dominican Republic International Bond 4.5% 30/01/2030 <sup>1</sup>	5,430,287	0.68
USD12,900,000	Dominican Republic International Bond 4.875% 23/09/2032 <sup>1</sup>	8,799,910	1.09
USD7,000,000	Dominican Republic International Bond 6% 22/02/2033 <sup>1</sup>	5,156,341	0.64
USD5,800,000	Dominican Republic International Bond 5.3% 21/01/2041 <sup>1</sup>	3,623,699	0.45
USD5,800,000	Dominican Republic International Bond 6.4% 05/06/2049 <sup>1</sup>	3,840,780	0.48
USD13,400,000	Dominican Republic International Bond 5.875% 30/01/2060 <sup>1</sup>	8,033,392	1.00
		40,151,121	5.00
<b>Mexico — 7.93% (7.43%)</b>			
USD8,300,000	Mexico Government International Bond 4.5% 22/04/2029	6,457,550	0.80
USD6,300,000	Mexico Government International Bond 3.25% 16/04/2030	4,484,358	0.56
USD8,062,000	Mexico Government International Bond 2.659% 24/05/2031	5,349,979	0.66
USD5,699,000	Mexico Government International Bond 4.75% 27/04/2032	4,351,927	0.54
USD5,917,000	Mexico Government International Bond 4.875% 19/05/2033	4,501,913	0.56
USD7,740,000	Mexico Government International Bond 3.5% 12/02/2034	5,191,100	0.65
USD7,240,000	Mexico Government International Bond 6.35% 09/02/2035	6,077,198	0.76
USD8,050,000	Mexico Government International Bond 4.28% 14/08/2041	5,190,165	0.65
USD6,150,000	Mexico Government International Bond 4.5% 31/01/2050	3,884,439	0.48
USD5,900,000	Mexico Government International Bond 5% 27/04/2051	3,964,383	0.49
USD7,500,000	Mexico Government International Bond 4.4% 12/02/2052	4,549,779	0.57
USD1,000,000	Mexico Government International Bond 6.338% 04/05/2053	791,293	0.10



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Mexico — (cont.)</b>		
USD9,292,000	Mexico Government International Bond 3.771% 24/05/2061	4,883,915	0.61
USD7,800,000	Mexico Government International Bond 3.75% 19/04/2071	4,027,426	0.50
		<b>63,705,425</b>	<b>7.93</b>
	<b>Panama — 4.16% (3.87%)</b>		
USD8,000,000	Panama Government International Bond 3.16% 23/01/2030	5,557,374	0.69
USD8,700,000	Panama Government International Bond 2.252% 29/09/2032	5,270,956	0.66
USD6,830,000	Panama Government International Bond 6.4% 14/02/2035	5,646,599	0.70
USD2,279,000	Panama Government International Bond 4.5% 16/04/2050	1,379,553	0.17
USD10,850,000	Panama Government International Bond 4.5% 01/04/2056	6,349,121	0.79
USD11,250,000	Panama Government International Bond 3.87% 23/07/2060	5,775,117	0.72
USD6,083,000	Panama Government International Bond 4.5% 19/01/2063	3,445,115	0.43
		<b>33,423,835</b>	<b>4.16</b>
	<b>CONTINENTAL EUROPE — 8.19% (2.77%)</b>		
	<b>Hungary — 3.31% (1.90%)</b>		
USD5,944,000	Hungary Government International Bond 6.125% 22/05/2028	4,896,011	0.61
USD8,383,000	Hungary Government International Bond 5.25% 16/06/2029	6,607,310	0.82
USD8,500,000	Hungary Government International Bond 2.125% 22/09/2031	5,257,523	0.65
USD7,250,000	Hungary Government International Bond 6.25% 22/09/2032	5,986,664	0.75
USD7,883,000	Hungary Government International Bond 3.125% 21/09/2051	3,862,979	0.48
		<b>26,610,487</b>	<b>3.31</b>
	<b>Poland — 3.39% (0.00%)</b>		
USD6,000,000	Republic of Poland Government International Bond 5.5% 16/11/2027	4,990,650	0.62
USD6,000,000	Republic of Poland Government International Bond 5.75% 16/11/2032	5,159,985	0.64
USD11,033,000	Republic of Poland Government International Bond 4.875% 04/10/2033	8,907,416	1.11
USD10,000,000	Republic of Poland Government International Bond 5.5% 04/04/2053	8,168,272	1.02
		<b>27,226,323</b>	<b>3.39</b>
	<b>Romania — 1.13% (0.44%)</b>		
USD5,616,000	Romanian Government International Bond 7.125% 17/01/2033	4,764,709	0.59
USD7,850,000	Romanian Government International Bond 4% 14/02/2051	4,303,957	0.54
		<b>9,068,666</b>	<b>1.13</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Ukraine — 0.36% (0.43%)</b>		
USD3,954,000	Ukraine Government International Bond 9.75% 01/11/2028 <sup>1</sup>	539,328	0.07
USD7,560,000	Ukraine Government International Bond 6.876% 21/05/2031 <sup>1</sup>	953,949	0.12
USD11,174,000	Ukraine Government International Bond 7.253% 15/03/2033 <sup>1</sup>	1,417,739	0.17
		<b>2,911,016</b>	<b>0.36</b>
	<b>SOUTH AMERICA — 25.44% (23.91%)</b>		
	<b>Argentina — 3.41% (3.13%)</b>		
USD5,302,397	Argentine Republic Government International Bond 1% 09/07/2029 <sup>1</sup>	1,068,651	0.13
USD33,922,213	Argentine Republic Government International Bond 0.5% 09/07/2030 <sup>1</sup>	6,996,336	0.87
USD43,164,932	Argentine Republic Government International Bond 1.5% 09/07/2035 <sup>1</sup>	8,164,876	1.02
USD23,897,158	Argentine Republic Government International Bond 3.875% 09/01/2038 <sup>1</sup>	5,653,597	0.70
USD22,004,000	Argentine Republic Government International Bond 3.5% 09/07/2041 <sup>1</sup>	4,710,360	0.59
USD4,050,000	Argentine Republic Government International Bond 1.125% 09/07/2046 <sup>1</sup>	781,803	0.10
		<b>27,375,623</b>	<b>3.41</b>
	<b>Brazil — 5.23% (4.33%)</b>		
USD7,100,000	Brazilian Government International Bond 2.875% 06/06/2025 <sup>1</sup>	5,387,975	0.67
USD8,316,000	Brazilian Government International Bond 4.5% 30/05/2029 <sup>1</sup>	6,257,187	0.78
USD13,650,000	Brazilian Government International Bond 3.875% 12/06/2030 <sup>1</sup>	9,637,889	1.20
USD6,400,000	Brazilian Government International Bond 3.75% 12/09/2031 <sup>1</sup>	4,369,963	0.54
USD9,603,000	Brazilian Government International Bond 6% 20/10/2033 <sup>1</sup>	7,439,577	0.93
USD15,400,000	Brazilian Government International Bond 4.75% 14/01/2050 <sup>1</sup>	8,892,212	1.11
		<b>41,984,803</b>	<b>5.23</b>
	<b>Chile — 5.49% (5.63%)</b>		
USD5,100,000	Chile Government International Bond 2.75% 31/01/2027	3,823,435	0.48
USD6,200,000	Chile Government International Bond 2.45% 31/01/2031	4,309,519	0.54
USD5,900,000	Chile Government International Bond 2.55% 27/01/2032	4,054,353	0.50
USD8,000,000	Chile Government International Bond 2.55% 27/07/2033	5,277,203	0.66
USD5,500,000	Chile Government International Bond 3.5% 31/01/2034	3,905,421	0.49
USD10,080,000	Chile Government International Bond 3.1% 07/05/2041	6,064,905	0.75
USD7,000,000	Chile Government International Bond 4.34% 07/03/2042	4,960,027	0.62

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Chile — (cont.)</b>		
USD8,600,000	Chile Government International Bond 3.5% 25/01/2050	5,105,945	0.63
USD5,000,000	Chile Government International Bond 3.5% 15/04/2053	2,937,805	0.36
USD7,200,000	Chile Government International Bond 3.1% 22/01/2061	3,702,317	0.46
		<u>44,140,930</u>	<u>5.49</u>
	<b>Colombia — 4.96% (3.49%)</b>		
USD7,464,000	Colombia Government International Bond 4.5% 15/03/2029	5,142,383	0.64
USD5,750,000	Colombia Government International Bond 3% 30/01/2030	3,489,471	0.43
USD11,147,000	Colombia Government International Bond 3.125% 15/04/2031	6,558,920	0.82
USD7,687,000	Colombia Government International Bond 3.25% 22/04/2032	4,399,821	0.55
USD6,850,000	Colombia Government International Bond 8% 20/04/2033	5,406,637	0.67
USD8,250,000	Colombia Government International Bond 7.5% 02/02/2034	6,243,152	0.78
USD11,116,000	Colombia Government International Bond 5.2% 15/05/2049	5,863,039	0.73
USD6,001,000	Colombia Government International Bond 4.125% 15/05/2051	2,757,638	0.34
		<u>39,861,061</u>	<u>4.96</u>
	<b>Ecuador — 2.51% (2.55%)</b>		
USD14,500,000	Ecuador Government International Bond 5% 31/07/2030 <sup>1</sup>	6,321,070	0.79
USD32,250,000	Ecuador Government International Bond 1% 31/07/2035 <sup>1</sup>	10,102,988	1.26
USD13,200,000	Ecuador Government International Bond 0.5% 31/07/2040 <sup>1</sup>	3,715,951	0.46
		<u>20,140,009</u>	<u>2.51</u>
	<b>Peru — 2.94% (2.85%)</b>		
USD14,581,000	Peruvian Government International Bond 2.783% 23/01/2031	9,918,182	1.24
USD9,018,000	Peruvian Government International Bond 3% 15/01/2034	5,903,986	0.74
USD6,696,000	Peruvian Government International Bond 3.55% 10/03/2051	3,879,627	0.48
USD8,300,000	Peruvian Government International Bond 2.78% 01/12/2060	3,879,211	0.48
		<u>23,581,006</u>	<u>2.94</u>
	<b>Uruguay — 0.80% (1.84%)</b>		
USD8,100,000	Uruguay Government International Bond 4.375% 23/01/2031	6,439,112	0.80
	<b>Venezuela — 0.10% (0.09%)</b>		
USD2,850,000	Venezuela Government International Bond 7% 01/12/2018 <sup>2,3</sup>	141,251	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Venezuela — (cont.)</b>		
USD5,550,000	Venezuela Government International Bond 7.65% 21/04/2025 <sup>2,3</sup>	385,096	0.05
USD4,210,000	Venezuela Government International Bond 7% 31/03/2038 <sup>2,3</sup>	267,079	0.03
		793,426	0.10
	<b>AFRICA — 4.93% (6.29%)</b>		
	<b>Egypt — 2.52% (2.93%)</b>		
USD6,500,000	Egypt Government International Bond 7.6% 01/03/2029 <sup>1</sup>	3,061,734	0.38
USD5,800,000	Egypt Government International Bond 5.875% 16/02/2031 <sup>1</sup>	2,391,658	0.30
USD7,000,000	Egypt Government International Bond 7.625% 29/05/2032 <sup>1</sup>	3,018,595	0.38
USD6,000,000	Egypt Government International Bond 8.7% 01/03/2049 <sup>1</sup>	2,444,629	0.30
USD8,000,000	Egypt Government International Bond 8.875% 29/05/2050 <sup>1</sup>	3,206,217	0.40
USD5,700,000	Egypt Government International Bond 7.5% 16/02/2061 <sup>1</sup>	2,158,863	0.27
USD6,000,000	Egyptian Financial Co for Sovereign Taskeek 10.875% 28/02/2026 <sup>1</sup>	3,913,595	0.49
		20,195,291	2.52
	<b>Nigeria — 0.39% (1.29%)</b>		
USD5,900,000	Nigeria Government International Bond 7.375% 28/09/2033 <sup>1</sup>	3,159,224	0.39
	<b>South Africa — 2.02% (2.07%)</b>		
USD7,850,000	Republic of South Africa Government International Bond 4.85% 30/09/2029 <sup>1</sup>	5,547,246	0.69
USD12,000,000	Republic of South Africa Government International Bond 5.75% 30/09/2049 <sup>1</sup>	6,688,140	0.83
USD5,978,000	Republic of South Africa Government International Bond 7.3% 20/04/2052 <sup>1</sup>	3,967,793	0.50
		16,203,179	2.02
	<b>ASIA — 8.45% (10.58%)</b>		
	<b>Indonesia — 3.13% (4.08%)</b>		
USD6,500,000	Indonesia Government International Bond 3.85% 15/10/2030	4,947,093	0.62
USD7,400,000	Indonesia Government International Bond 4.2% 15/10/2050	5,102,312	0.63
USD7,693,000	Indonesia Government International Bond 3.05% 12/03/2051	4,514,101	0.56
USD7,220,000	Perusahaan Penerbit SBSN Indonesia III 4.4% 06/06/2027	5,752,775	0.72
USD6,022,000	Perusahaan Penerbit SBSN Indonesia III 4.7% 06/06/2032	4,860,220	0.60
		25,176,501	3.13

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>People's Republic of China — 3.42% (4.00%)</b>		
USD8,500,000	China Government International Bond 1.95% 03/12/2024 <sup>2</sup>	6,514,327	0.81
USD5,900,000	China Government International Bond 0.55% 21/10/2025	4,292,289	0.53
USD7,500,000	China Government International Bond 1.25% 26/10/2026	5,426,632	0.68
USD5,500,000	China Government International Bond 2.125% 03/12/2029 <sup>2</sup>	4,002,720	0.50
USD10,900,000	China Government International Bond 1.2% 21/10/2030	7,262,533	0.90
		27,498,501	3.42
	<b>Philippines — 1.58% (2.33%)</b>		
USD5,500,000	Philippine Government International Bond 3.75% 14/01/2029	4,212,492	0.53
USD6,077,000	Philippine Government International Bond 2.65% 10/12/2045	3,312,461	0.41
USD8,669,000	Philippine Government International Bond 3.2% 06/07/2046	5,143,890	0.64
		12,668,843	1.58
	<b>Sri Lanka — 0.32% (0.17%)</b>		
USD3,900,000	Sri Lanka Government International Bond 6.2% 11/05/2027 <sup>1</sup>	1,019,623	0.13
USD5,900,000	Sri Lanka Government International Bond 7.55% 28/03/2030 <sup>1</sup>	1,540,819	0.19
		2,560,442	0.32
	<b>MIDDLE EAST — 33.64% (38.01%)</b>		
	<b>Oman — 2.77% (4.83%)</b>		
USD8,750,000	Oman Government International Bond 6% 01/08/2029 <sup>1</sup>	7,074,548	0.88
USD5,900,000	Oman Government International Bond 6.25% 25/01/2031 <sup>1</sup>	4,826,448	0.60
USD6,400,000	Oman Sovereign Sukuk 5.932% 31/10/2025 <sup>1</sup>	5,182,119	0.65
USD6,400,000	Oman Sovereign Sukuk 4.875% 15/06/2030 <sup>1</sup>	5,143,193	0.64
		22,226,308	2.77
	<b>Qatar — 6.84% (8.31%)</b>		
USD5,500,000	Qatar Government International Bond 3.375% 14/03/2024	4,304,004	0.54
USD6,000,000	Qatar Government International Bond 3.4% 16/04/2025	4,656,881	0.58
USD2,400,000	Qatar Government International Bond 4.5% 23/04/2028	1,948,338	0.24
USD11,300,000	Qatar Government International Bond 4% 14/03/2029	8,972,525	1.12
USD10,000,000	Qatar Government International Bond 3.75% 16/04/2030	7,822,528	0.97
USD5,200,000	Qatar Government International Bond 5.103% 23/04/2048	4,166,020	0.52
USD16,600,000	Qatar Government International Bond 4.817% 14/03/2049	12,798,473	1.59

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Qatar — (cont.)</b>			
USD14,100,000	Qatar Government International Bond 4.4% 16/04/2050	10,308,804	1.28
		54,977,573	6.84
<b>Saudi Arabia — 7.19% (7.88%)</b>			
USD5,400,000	Saudi Government International Bond 2.9% 22/10/2025	4,140,064	0.52
USD3,499,000	Saudi Government International Bond 4.75% 18/01/2028	2,828,167	0.35
USD9,200,000	Saudi Government International Bond 4.375% 16/04/2029	7,334,407	0.91
USD6,400,000	Saudi Government International Bond 4.5% 17/04/2030	5,116,447	0.64
USD2,500,000	Saudi Government International Bond 3.25% 22/10/2030	1,847,072	0.23
USD4,619,000	Saudi Government International Bond 5.5% 25/10/2032	3,951,157	0.49
USD4,300,000	Saudi Government International Bond 2.25% 02/02/2033	2,826,669	0.35
USD4,304,000	Saudi Government International Bond 4.875% 18/07/2033	3,506,887	0.44
USD7,200,000	Saudi Government International Bond 5% 17/04/2049	5,359,819	0.67
USD7,100,000	Saudi Government International Bond 5.25% 16/01/2050	5,503,548	0.69
USD5,772,000	Saudi Government International Bond 5% 18/01/2053	4,268,309	0.53
USD6,300,000	Saudi Government International Bond 3.75% 21/01/2055	3,809,525	0.47
USD6,500,000	Saudi Government International Bond 4.5% 22/04/2060	4,524,181	0.56
USD4,800,000	Saudi Government International Bond 3.45% 02/02/2061	2,700,652	0.34
		57,716,904	7.19
<b>Turkey — 9.64% (9.19%)</b>			
USD6,250,000	Hazine Mustesarligi Varlik Kiralama 9.758% 13/11/2025 <sup>1</sup>	5,025,325	0.62
USD6,224,000	Hazine Mustesarligi Varlik Kiralama 5.125% 22/06/2026 <sup>1</sup>	4,448,182	0.55
USD6,561,000	Hazine Mustesarligi Varlik Kiralama 7.25% 24/02/2027 <sup>1</sup>	4,948,910	0.62
USD4,050,000	Turkey Government International Bond 6.35% 10/08/2024 <sup>1</sup>	3,119,757	0.39
USD7,200,000	Turkey Government International Bond 5.6% 14/11/2024 <sup>1</sup>	5,438,062	0.68
USD4,650,000	Turkey Government International Bond 4.25% 13/03/2025 <sup>1</sup>	3,386,430	0.42
USD5,400,000	Turkey Government International Bond 6.375% 14/10/2025 <sup>1</sup>	4,023,161	0.50
USD3,409,000	Turkey Government International Bond 4.75% 26/01/2026 <sup>1</sup>	2,433,351	0.30
USD5,673,000	Turkey Government International Bond 9.875% 15/01/2028 <sup>1</sup>	4,600,364	0.57
USD5,625,000	Turkey Government International Bond 9.375% 14/03/2029 <sup>1</sup>	4,469,561	0.56

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Turkey — (cont.)</b>			
USD7,500,000	Turkey Government International Bond 7.625% 26/04/2029 <sup>1</sup>	5,590,579	0.70
USD4,300,000	Turkey Government International Bond 5.25% 13/03/2030 <sup>1</sup>	2,797,446	0.35
USD7,500,000	Turkey Government International Bond 9.125% 13/07/2030 <sup>1</sup>	5,891,709	0.73
USD4,000,000	Turkey Government International Bond 5.95% 15/01/2031 <sup>1</sup>	2,644,780	0.33
USD4,375,000	Turkey Government International Bond 5.875% 26/06/2031 <sup>1</sup>	2,871,912	0.36
USD19,250,000	Turkey Government International Bond 9.375% 19/01/2033 <sup>1</sup>	15,301,630	1.90
USD716,000	Turkey Government International Bond 6.5% 20/09/2033 <sup>1</sup>	477,080	0.06
		<b>77,468,239</b>	<b>9.64</b>
<b>United Arab Emirates — 7.20% (7.80%)</b>			
USD7,950,000	Abu Dhabi Government International Bond 2.125% 30/09/2024	6,077,316	0.76
USD9,200,000	Abu Dhabi Government International Bond 2.5% 16/04/2025	7,045,271	0.88
USD5,600,000	Abu Dhabi Government International Bond 1.625% 02/06/2028	3,980,949	0.49
USD7,300,000	Abu Dhabi Government International Bond 2.5% 30/09/2029	5,326,878	0.66
USD6,800,000	Abu Dhabi Government International Bond 3.125% 16/04/2030	5,130,102	0.64
USD4,000,000	Abu Dhabi Government International Bond 1.7% 02/03/2031	2,702,776	0.34
USD7,000,000	Abu Dhabi Government International Bond 1.875% 15/09/2031	4,732,900	0.59
USD11,600,000	Abu Dhabi Government International Bond 3.125% 30/09/2049	6,856,956	0.85
USD10,700,000	Abu Dhabi Government International Bond 3.875% 16/04/2050	7,213,567	0.90
USD4,100,000	Abu Dhabi Government International Bond 2.7% 02/09/2070	2,003,588	0.25
USD4,400,000	UAE International Government Bond 4.05% 07/07/2032	3,481,626	0.43

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>United Arab Emirates — (cont.)</b>			
USD5,600,000	UAE International Government Bond 3.25% 19/10/2061	3,284,454	0.41
		57,836,383	7.20
<b>Portfolio of investments</b>		801,671,599	99.80
<b>Net other assets</b>		1,619,640	0.20
<b>Total net assets</b>		£803,291,239	100.00%

<sup>1</sup> These are sub-investment grade fixed interest securities and represent 34.17% of the net assets of the Fund.

<sup>2</sup> These are unrated fixed interest securities and represent 1.41% of the net assets of the Fund.

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

Total purchases for the period: £202,283,768.

Total sales for the period: £174,767,806.



## Financial Statements

### Statement of Total Return for the period ended 10 May 2023

	10/05/23		10/05/22	
	£	£	£	£
<b>Income</b>				
Net capital losses		(34,530,968)		(176,988,830)
Revenue	22,332,852		21,890,186	
Expenses	(480,520)		(571,021)	
Interest payable and similar charges	(656)		(1,222)	
Net revenue before taxation	21,851,676		21,317,943	
Taxation	5,975		(143,744)	
Net revenue after taxation for the period		21,857,651		21,174,199
Total return before distributions		(12,673,317)		(155,814,631)
Distributions		(22,338,171)		(21,745,220)
Change in net assets attributable to Unitholders from investment activities		<b>£(35,011,488)</b>		<b>£(177,559,851)</b>

### Statement of Change in Net Assets attributable to Unitholders for the period ended 10 May 2023

	10/05/23		10/05/22	
	£	£	£	£
Opening net assets attributable to Unitholders		813,206,304		967,394,442
Amounts received on issue of units	47,854,531		85,312,596	
Amounts paid on cancellation of units	(29,725,027)		(130,107,204)	
		18,129,504		(44,794,608)
Change in net assets attributable to Unitholders from investment activities		(35,011,488)		(177,559,851)
Retained distributions on accumulation units		6,966,919		5,445,066
Closing net assets attributable to Unitholders		<b>£803,291,239</b>		<b>£750,485,049</b>

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 10 May 2023

	10/05/23 £	10/11/22 £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	801,671,599	806,331,347
<b>Current assets:</b>		
Debtors	10,566,959	13,800,795
Cash and bank balances	33,978,528	13,108,423
<b>Total assets</b>	<b>846,217,086</b>	<b>833,240,565</b>
<b>LIABILITIES</b>		
<b>Creditors:</b>		
Bank overdrafts	(26,300,784)	–
Distributions payable	(15,586,748)	(15,868,524)
Other creditors	(1,038,315)	(4,165,737)
<b>Total liabilities</b>	<b>(42,925,847)</b>	<b>(20,034,261)</b>
<b>Net assets attributable to Unitholders</b>	<b>£803,291,239</b>	<b>£813,206,304</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. 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. 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)
F-Class			
Accumulation Units	949	1,580	60.06
I-Class			
Distribution Units	27,794,081	72,659,288	38.25
Accumulation Units	150,511,630	247,875,910	60.72
C-Class			
Distribution Units	5,521,500	14,293,594	38.63
Accumulation Units	102,367,848	166,994,894	61.30
L-Class			
Distribution Units	517,095,231	1,315,873,395	39.30

**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

	10 May 23	10 Nov 22
F-Class	0.48%	0.48%
I-Class	0.29%	0.29%
C-Class	0.19%	0.19%
L-Class	0.04%	0.04%

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

#### **F-Class**

The distribution payable on 10 July 2023 is 1.6613p per unit for accumulation units.

#### **I-Class**

The distribution payable on 10 July 2023 is 1.0838p per unit for distribution units and 1.6730p per unit for accumulation units.

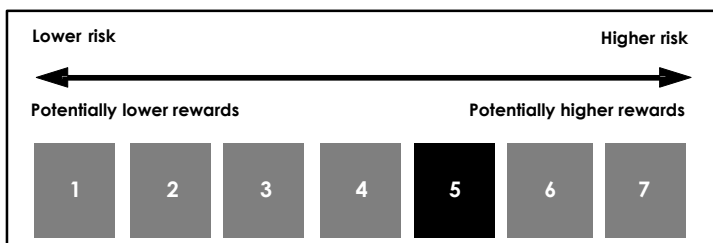
#### **C-Class**

The distribution payable on 10 July 2023 is 1.0941p per unit for distribution units and 1.6885p per unit for accumulation units.

#### **L-Class**

The distribution payable on 10 July 2023 is 1.1127p 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 five 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:	11 December 2012
Period end dates for distributions:	10 May, 10 November
Distribution dates:	10 January, 10 July
Minimum initial lump sum investment:	I-Class £1,000,000 C-Class* £100,000,000 L-Class** £500,000
Valuation point:	12 noon
Fund Management Fees:	F-Class*** Annual 0.48% I-Class Annual 0.29% C-Class* Annual 0.19% L-Class** Annual 0.04%
Initial charges:	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 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.

### Information on Tracking Error

The 'Tracking Error' of a Fund is the measure of the volatility of the differences between the return of the Fund and the return of the Benchmark Index. It provides an indication of how closely the Fund is tracking the performance of the Benchmark Index after considering things such as Fund charges and taxation.

Using monthly returns, over the review period, the annualised Tracking Error of the Fund is 0.24%, whilst over the last three years to the end of May 2023, the annualised Tracking Error of the Fund is 0.72%. One of these Tracking Errors is above the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

The anticipated Tracking Error levels per the Prospectus are the anticipated levels 'under normal market conditions'. Due to the removal of Russian securities from the Benchmark Index during March 2022, one of the annualised Tracking Errors is greater than the anticipated Tracking Error levels as per the Prospectus.

### 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 of Investment Objective and Policy

With effect from 20 December 2022, the Investment Objective & Policy was updated to better reflect how the Trust is managed. The previous and revised Investment Objective and Policy are set out on page 2.

### Notifiable Change

#### Prospectus Updates

Following a review, the Risk Factors section of the Prospectus (including the Table of Fund specific risks) was updated on 20 December 2022.

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



## General Information continued

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 further updated to confirm that units may be redeemed in 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. 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,  
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:  
One Coleman Street,  
London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

