

Legal & General Cash Trust
**Annual Manager's
Short Report**
for the year ended
5 February 2019



Investment Objective and Policy

The investment objective of the Trust is to maintain capital and to provide a return in line with money market rates, before charges.

The Trust will invest in short term deposits, government bonds issued in pounds Sterling and Repos. The maximum maturity of these instruments is 397 days but the Trust must maintain a weighted average maturity of less than 60 days.

The bonds that the Trust invests in must be investment grade (rated as lower risk).

The Trust may also invest in other money market instruments and other money market funds. The Trust may use derivatives for efficient portfolio management purposes only. Where the Manager considers it appropriate, for example, in times of market stress, the Trust may be significantly invested in government and public securities.

Risk Profile

Credit Risk

This Trust holds deposits with financial institutions. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed by monitoring the financial stability of these financial institutions, via credit ratings.

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of markets movements. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Interest Rate Risk

This Trust holds cash deposits. The performance of the Trust may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.

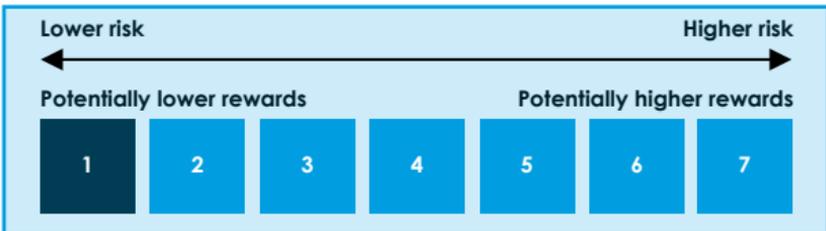
Trust Facts

Period End Dates for Distributions:	5 Feb, 5 May, 5 Aug and 5 Nov	
Distribution Dates:	5 Jan, 5 Apr, 5 Jul and 5 Oct	
Ongoing Charges Figures:	5 Feb 19	5 Feb 18
R-Class	0.25%	0.25%
I-Class	0.15%	0.15%
L-Class	—	—

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

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

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust 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 Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category one as it invests in instruments which are very liquid, have short maturities which have a high credit rating and are considered lower risk than longer maturing securities.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 5 April 2019 is 0.1376p per unit for accumulation units.

I-Class

The distribution payable on 5 April 2019 is 0.1673p per unit for accumulation units.

L-Class

The distribution payable on 5 April 2019 is 0.1058p per unit for accumulation units.

Portfolio Information

The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 5 February 2019		Top 10 Holdings at 5 February 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
BRED Banque Populaire 0.7% 06/02/2019	5.06%	Rabobank International 0.45% 06/02/2018	4.97%
MUFG Bank 0.67% 06/02/2019	5.06%	DZ Bank 0.44% 06/02/2018	3.55%
Rabobank International 0.7% 06/02/2019	5.06%	Landesbank Hessen Thuringen 0.43% 06/02/2018	3.55%
Société Générale 0.7% 06/02/2019	5.06%	National Bank of Abu Dhabi 0.43% 06/02/2018	3.55%
Sumitomo Mitsui Banking Corporation 0.68% 06/02/2019	5.06%	Société Générale 0.45% 06/02/2018	3.55%
DZ Bank 0.69% 06/02/2019	5.04%	The Bank of Tokyo-Mitsubishi 0.42% 06/02/2018	3.55%
ING Group 0.7% 06/02/2019	4.55%	DZ Bank 0.00% 13/02/2018	3.19%
National Bank of Abu Dhabi 0.68% 06/02/2019	4.55%	Sumitomo Mitsui Banking Corporation 0.00% 12/03/2018	2.84%
BNP Paribas 0.65% 06/02/2019	4.04%	Sumitomo Mitsui Banking Corporation 0.43% 06/02/2018	2.37%
Bank of China 0.65% 06/02/2019	3.79%	BRED Banque Populaire 0.6% 12/02/2018	2.13%

Comparative Tables

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	05/02/19 (pence per unit)	05/02/18 (pence per unit)	05/02/17 (pence per unit)
Opening net asset value per unit	93.80	93.70	93.62
Return before operating charges*	0.66	0.33	0.43
Operating charges (calculated on average price)	(0.23)	(0.23)	(0.32)
Return after operating charges*	0.43	0.10	0.11
Distributions [^]	(0.42)	(0.10)	(0.13)
Retained distributions on accumulation units [^]	0.42	0.10	0.10
Closing net asset value per unit	94.23	93.80	93.70
* after direct transaction costs of:	—	—	—

Performance

Return after charges	0.46%	0.11%	0.12%
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Other Information

Closing net asset value (£)	7,272,542	6,799,578	8,353,477
Closing number of units	7,718,195	7,248,869	8,914,862
Operating charges [†]	0.25%	0.25%	0.34%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	94.22p	93.81p	93.70p
Lowest unit price	93.81p	93.70p	93.61p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	05/02/19 (pence per unit)	05/02/18 (pence per unit)	05/02/17 (pence per unit)
Opening net asset value per unit	97.14	96.94	96.75
Return before operating charges*	0.69	0.35	0.40
Operating charges (calculated on average price)	(0.15)	(0.15)	(0.16)
Return after operating charges*	0.54	0.20	0.24
Distributions [^]	(0.53)	(0.20)	(0.25)
Retained distributions on accumulation units [^]	0.53	0.20	0.20
Closing net asset value per unit	97.68	97.14	96.94
* after direct transaction costs of:	—	—	—

Performance

Return after charges	0.56%	0.21%	0.25%
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Other Information

Closing net asset value (£)	694,574,334	203,534,086	131,991,849
Closing number of units	711,091,961	209,527,079	136,159,731
Operating charges [†]	0.15%	0.15%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	97.67p	97.15p	96.93p
Lowest unit price	97.15p	96.93p	96.75p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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The price of units and any income from them may go down as well as up.

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	06/02/18 to 05/02/19 (pence per unit)	06/02/17 to 05/02/18 (pence per unit)	28/04/16 to 05/02/17* (pence per unit)
Opening net asset value per unit	50.30	50.12	50.00
Return before operating charges*	0.35	0.18	0.16
Operating charges (calculated on average price)	—	—	—
Return after operating charges*	0.35	0.18	0.16
Distributions [^]	(0.35)	(0.18)	(0.16)
Retained distributions on accumulation units [^]	0.35	0.18	0.12
Closing net asset value per unit	50.65	50.30	50.12
* after direct transaction costs of:	—	—	—

Performance

Return after charges	0.70%	0.36%	0.32%
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Other Information

Closing net asset value (£)	1,275,211,970	1,197,787,417	1,145,691,285
Closing number of units	2,517,544,181	2,381,324,232	2,285,910,174
Operating charges [†]	—	—	—
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	50.65p	50.30p	50.11p
Lowest unit price	50.30p	50.12p	50.00p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

* L-Class launched on 28 April 2016.

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.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units rose by 0.44%.

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Market/Economic Review

Sterling money market rates rose overall during the review year.

Sterling money market rates rose during the opening quarter of 2018 with the 3-month Sterling LIBOR rate ending March at 0.71%. The cue came from a hawkish assessment in the Bank of England's latest quarterly inflation report. The Bank cautioned it is likely to raise interest rates earlier and faster than previously expected, reflecting the impact of a stronger global economy on UK inflationary pressures. Subsequently, two members of the Bank of England's monetary policy committee (MPC) voted for an immediate rise in interest rates to 0.75% at the MPC's March meeting. While the MPC maintained its previous guidance that any future rate rises were likely to be limited and implemented at a gradual pace, policymakers acknowledged earnings growth is picking up with inflation expected to remain above its 2% target. UK economic indicators struck a slightly more positive note as the first quarter ended.

Sterling money market rates ended the second quarter marginally lower. The catalyst for this decline in money market rates came in May as UK economic output expanded at its lowest rate of growth since 2012 during the first quarter. Subsequently, Sterling money market rates rose during June after three members of the Bank of England's Monetary Policy Committee voted to raise interest rates to 0.75% which included the Bank's Chief Economist. This was partially a consequence of UK GDP for the first quarter being revised upwards, while the fiscal position is stronger than expected with government borrowing having fallen.

Sterling money market rates rose during the third quarter. Investors priced in a 0.25% interest rate hike prior to the Bank of England's Monetary Policy Committee (MPC) meeting in early August. In the event, the MPC voted unanimously to increase the benchmark base rate to 0.75%. The UK unemployment rate fell to its lowest level since early 1975 in the three months to June.

Sterling money market rates rose during the fourth quarter, as the Bank of England signalled it would step up the pace of interest rate hikes next year, provided the UK government was able to negotiate a withdrawal agreement from the European Union by next March. The UK economy grew by 0.6% during the third quarter, the strongest expansion since the last quarter of 2016. Household spending and exports rose firmly although business investment weakened for the third consecutive quarter, partly due to Brexit-related economic and political uncertainty. Although earnings growth accelerated during the third quarter by 3.2%,

Manager's Investment Report continued

consumer price inflation has eased. The annual inflation rate declined to 2.3% in November, the lowest inflation rate since March 2017, mainly due to a slowdown in the cost of transport, and food and beverages.

Sterling money market rates remained broadly unchanged during January. Despite the Bank of England indicating that a gradual tightening of monetary policy would be necessary to stabilise the UK economy if Brexit proceeds smoothly, financial markets are yet to be convinced that UK interest rates will rise at all this year. Concerns about the outlook for the global economy and expectations that inflation, as measured by the consumer price index (CPI), will soon fall below its 2% target rate have raised doubts amongst investors.

Trust Review

The Trust remains invested in a diverse range of high quality and liquid issues, incorporating the potential re-pricing of the money market curve to ensure liquidity of holdings.

Outlook

Concerns about the outlook for the global economy and expectations that inflation, as measured by the consumer price index (CPI), will soon fall below its 2% target rate have raised doubts amongst investors. The CPI fell from 2.3% in November to 2.1% in December, its lowest reading since January 2017, due mostly to the lower cost of petrol and air fares. Despite the buoyant labour market, with unemployment near a 44-year low at 4% and average weekly earnings recording their largest rise since the three months to July 2008, retail sales data fell short of forecasts declining by a larger margin than expected in December. Subsequent updates from the high street have confirmed that the festive season was a challenging period for retailers. The latest survey of the dominant UK services sector highlighted activity rose only slightly in December, having recorded a 2-year low the month before. This suggests uncertainty over the outcome of Brexit negotiations is beginning to impact on economic activity as businesses and consumers delay spending.

Legal & General Investment Management Limited
(Investment Adviser)
21 February 2019

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

EU Savings Directive

The Trust 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 Trust 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.

Minimum Investment Amounts

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

R-Class	£100
I-Class	£1,000,000
L-Class	£100,000

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

L-Class is not available to retail customers and is intended only for investment by Legal & General group of companies.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Trust can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

Significant Changes

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Trust and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Trust is operated.

General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Cash Trust, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMprivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

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

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

Trustee

Northern Trust Global Services SE UK Branch

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square,

London E14 5GL

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Financial Conduct Authority**

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