

Legal & General
Mixed Investment 0-35% Fund
**Annual Manager's
Short Report
for the year ended
31 July 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

This Fund aims to deliver long term capital growth which exceeds the Bank of England's base interest rate as set by the Monetary Policy Committee or successor bodies. Whilst the Fund aims to achieve capital growth above the Bank of England base rate over rolling three year periods, there is no guarantee that this will be achieved over the period or any other period and capital invested in the Fund is at risk.

The Fund will invest principally in a broad range of UK and overseas companies' shares, fixed interest securities and cash. The Fund will invest up to 35% in UK and overseas companies' shares. Exposure to these asset classes will be achieved generally through investment in collective investment schemes but may also be achieved by investing directly in the assets. At times the Fund may be fully invested in collective investment schemes only or directly invested only or invested in cash, near cash, money market instruments and deposit only.

The collective investment schemes invested in may include those managed or operated by Legal & General. The Fund may also invest in other transferable securities, other collective investment schemes, money market instruments, deposits, cash and near cash. The Fund will use derivatives for efficient portfolio management purposes only.

Risk Profile

Credit Risk

This Fund holds investments in government bonds and in Collective Investment Schemes which directly invest in financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations.

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements. 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.

Currency Risk

This Fund holds Collective Investment Schemes that invest in overseas financial securities. The performance of the Fund may therefore be affected by changes in exchange rates, through its holdings in these schemes.

Interest Rate Risk

This Fund holds investments in interest distributing Funds. The performance of the Fund may therefore be affected by changes in interest rates, through its holdings in these schemes.

Fund Facts

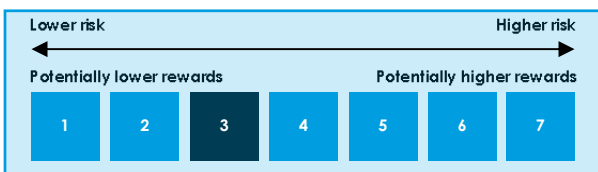
Period End Dates for Distributions:	31 Jan, 31 Jul	
Distribution Dates:	31 Mar, 30 Sep	
Ongoing Charges Figures:	31 Jul 18	31 Jul 17
R-Class	1.43%	1.70%
A-Class*	1.40%	1.40%
F-Class	0.55%	0.57%
B-Class*	1.20%	1.20%
I-Class	0.44%	0.46%
C-Class	0.31%	0.33%
D-Class	0.93%	0.95%

* As at 26 January 2018, the A and B Class were closed. All unitholders in the A and B Class as at 26 January 2018 have been moved into the R-Class.

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, to the average net assets of the Fund. These figures represent annualised percentages.

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



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Fund's unit price has moved up and down in the past. If the Fund has less than five years' track record, the number also reflects the rate at which a representative mix of the underlying funds has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Fund is in category three because the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 30 September 2018 is 1.1151p per unit for accumulation units.

F-Class

The distribution payable on 30 September 2018 is 1.7301p per unit for accumulation units.

I-Class

The distribution payable on 30 September 2018 is 1.6805p per unit for distribution units and 1.8757p per unit for accumulation units.

C-Class

The distribution payable on 30 September 2018 is 0.6707p per unit for accumulation units.

D-Class

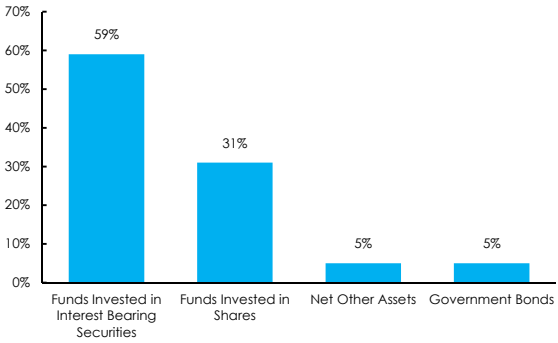
The distribution payable on 30 September 2018 is 0.4412p per unit for distribution units and 0.4703p per unit for accumulation units.

Portfolio Information

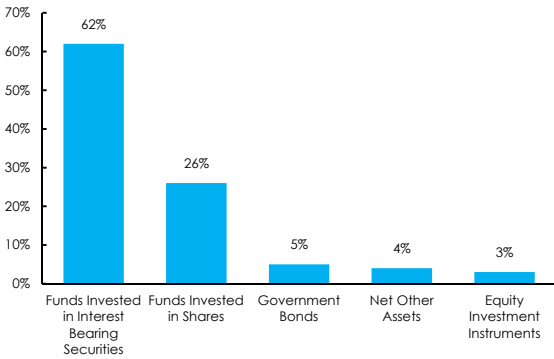
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 31 July 2018		Top 10 Holdings at 31 July 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
LGIM Global Corporate Bond Fund 'B' Acc	11.38%	LGIM Global Corporate Bond Fund 'B' Acc	14.94%
Legal & General (N) Tracker Trust 'I' Inc	9.73%	Legal & General (N) Tracker Trust 'I' Inc	10.11%
Legal & General Fixed Interest Trust 'I' Inc	8.37%	Legal & General Fixed Interest Trust 'I' Inc	8.98%
Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	8.36%	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	8.28%
Legal & General All Stocks Gilt Index Trust 'I' Inc	7.32%	Legal & General All Stocks Gilt Index 'Trust 'I' Inc	7.71%
Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	5.97%	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	5.86%
Legal & General High Income Trust 'I' Inc	5.44%	Legal & General High Income Trust 'I' Inc	5.35%
Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	4.97%	Legal & General US Index Trust 'I' Inc	3.98%
Legal & General US Index Trust 'I' Inc	4.12%	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc	3.92%
Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc	3.65%	Legal & General Sterling Corporate Bond Index Fund 'L' Inc	3.87%

Fund Holdings as at 31 July 2018



Fund Holdings as at 31 July 2017



Comparative Tables

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	166.90	161.51	150.47
Return before operating charges*	3.91	8.17	13.61
Operating charges (calculated on average price)	(2.39)	(2.78)	(2.57)
Return after operating charges*	1.52	5.39	11.04
Distributions	(2.15)	(1.69)	(1.69)
Retained distributions on accumulation units	2.15	1.69	1.69
Closing net asset value per unit	168.42	166.90	161.51
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	0.91%	3.34%	7.34%
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Other Information

Closing net asset value (£)	493,164,479	233,576,833	244,010,954
Closing number of units	292,824,296	139,947,625	151,081,712
Operating charges†	1.43%	1.70%	1.71%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	170.30p	168.30p	161.80p
Lowest unit price	163.90p	157.80p	144.50p

** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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.

Comparative Tables continued

A-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	01/08/17 to 26/01/18 ¹ (pence per unit)	01/08/16 to 31/07/17 (pence per unit)	01/08/15 to 31/07/16 (pence per unit)
Opening net asset value per unit	167.57	161.67	150.47
Return before operating charges*	3.25	8.19	13.62
Operating charges (calculated on average price)	(1.16)	(2.29)	(2.42)
Return after operating charges*	2.09	5.90	11.20
Distributions	(1.28)	(2.18)	(1.85)
Retained distributions on accumulation units	1.28	2.18	1.85
Closing net asset value per unit	169.66	167.57	161.67
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.25%	3.65%	7.44%
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Other Information

Closing net asset value (£)	—	168,479,256	259,313,343
Closing number of units	—	100,541,986	160,393,906
Operating charges†	1.40%	1.40%	1.61%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	171.20p	168.90p	162.00p
Lowest unit price	161.70p	158.00p	144.50p

¹ A-Class units ceased to exist on 26 January 2018. Value shown is the closing net asset value at this date.

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	172.14	164.75	152.60
Return before operating charges*	4.05	8.35	13.83
Operating charges (calculated on average price)	(0.96)	(0.96)	(1.68)
Return after operating charges*	3.09	7.39	12.15
Distributions	(3.76)	(3.63)	(2.68)
Retained distributions on accumulation units	3.76	3.63	2.68
Closing net asset value per unit	175.23	172.14	164.75
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.80%	4.49%	7.96%
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Other Information

Closing net asset value (£)	143,337	107,101	1,234
Closing number of units	81,800	62,218	749
Operating charges†	0.55%	0.57%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	176.50p	173.20p	165.00p
Lowest unit price	170.20p	161.30p	146.90p

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

Comparative Tables continued

B-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	01/08/17 to 26/01/18 ¹ (pence per unit)	01/08/16 to 31/07/17 (pence per unit)	01/08/15 to 31/07/16 (pence per unit)
Opening net asset value per unit	56.29	54.21	50.25
Return before operating charges*	1.09	2.74	4.57
Operating charges (calculated on average price)	(0.33)	(0.66)	(0.61)
Return after operating charges*	0.76	2.08	3.96
Distributions	(0.49)	(0.83)	(0.83)
Retained distributions on accumulation units	0.49	0.83	0.83
Closing net asset value per unit	57.05	56.29	54.21
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.35%	3.84%	7.89%
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Other Information

Closing net asset value (£)	—	165,993,726	114,823,398
Closing number of units	—	294,879,594	211,814,530
Operating charges†	1.20%	1.20%	1.21%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	57.56p	56.70p	54.30p
Lowest unit price	54.25p	53.01p	48.39p

¹ B-Class units ceased to exist on 26 January 2018. Value shown is the closing net asset value at this date.

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	160.08	156.58	147.34
Return before operating charges*	3.76	7.83	13.48
Operating charges (calculated on average price)	(0.71)	(0.73)	(0.69)
Return after operating charges*	3.05	7.10	12.79
Distributions on income units	(3.66)	(3.60)	(3.55)
Closing net asset value per unit	159.47	160.08	156.58
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.91%	4.53%	8.68%
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Other Information

Closing net asset value (£)	67,265,576	94,761,233	743,233
Closing number of units	42,180,289	59,196,841	474,663
Operating charges†	0.44%	0.46%	0.47%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	164.30p	162.70p	158.60p
Lowest unit price	156.50p	153.40p	140.90p

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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.

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	176.56	168.76	155.26
Return before operating charges*	4.15	8.59	14.24
Operating charges (calculated on average price)	(0.78)	(0.79)	(0.74)
Return after operating charges*	3.37	7.80	13.50
Distributions	(4.06)	(3.91)	(3.76)
Retained distributions on accumulation units	4.06	3.91	3.76
Closing net asset value per unit	179.93	176.56	168.76
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.91%	4.62%	8.69%
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Other Information

Closing net asset value (£)	74,789,720	81,239,955	83,100,842
Closing number of units	41,566,080	46,012,038	49,241,706
Operating charges†	0.44%	0.46%	0.47%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	181.20p	177.60p	169.10p
Lowest unit price	174.70p	165.40p	150.20p

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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.

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	59.35	56.66	52.05
Return before operating charges*	1.41	2.88	4.80
Operating charges (calculated on average price)	(0.19)	(0.19)	(0.19)
Return after operating charges*	1.22	2.69	4.61
Distributions	(1.44)	(1.39)	(1.32)
Retained distributions on accumulation units	1.44	1.39	1.32
Closing net asset value per unit	60.57	59.35	56.66
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	2.06%	4.75%	8.85%
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Other Information

Closing net asset value (£)	579,535,409	356,717,444	94,414,817
Closing number of units	956,864,232	600,991,416	166,632,826
Operating charges†	0.31%	0.33%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	60.92p	59.69p	56.76p
Lowest unit price	58.77p	55.54p	50.38p

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

Comparative Tables continued

D-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	55.36	54.15	50.94
Return before operating charges*	1.29	2.71	4.66
Operating charges (calculated on average price)	(0.51)	(0.52)	(0.49))
Return after operating charges*	0.78	2.19	4.17
Distributions on income units	(0.99)	(0.98)	(0.96))
Closing net asset value per unit	55.15	55.36	54.15
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.41%	4.04%	8.19%
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Other Information

Closing net asset value (£)	197,939	164,600	47,080
Closing number of units	358,892	297,301	86,938
Operating charges†	0.93%	0.95%	0.96%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	56.67p	56.18p	54.70p
Lowest unit price	54.06p	52.98p	48.68p

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

Comparative Tables continued

D-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	58.27	55.96	51.74
Return before operating charges*	1.36	2.85	4.72
Operating charges (calculated on average price)	(0.54)	(0.54)	(0.50)
Return after operating charges*	0.82	2.31	4.22
Distributions	(1.05)	(1.01)	(0.98)
Retained distributions on accumulation units	1.05	1.01	0.98
Closing net asset value per unit	59.09	58.27	55.96
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	1.41%	4.13%	8.16%
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Other Information

Closing net asset value (£)	3,141,773	2,598,309	1,099,835
Closing number of units	5,317,202	4,459,354	1,965,240
Operating charges†	0.93%	0.95%	0.96%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.64p	58.66p	56.06p
Lowest unit price	57.45p	54.76p	49.90p

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Manager's Investment Report

During the year under review, the mid price of the Fund's I-Class accumulation units rose by 2.10%. The UK Base rate rose during the review year from 0.25% to 0.50%, and the Fund's peer group, the Investment Association Mixed Investment 0-35% Sector delivered a mean (average) return of -0.15% (Source: Lipper Hindsight).

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Market/Economic Review

The global economic background has improved over the year under review, led by solid growth in the major developed economies, although recent indicators suggest there has been some loss of momentum, particularly in Europe. Despite a rise in commodity prices, with the oil price (Brent crude) recovering to \$79 per barrel in May, its highest level since 2014, inflationary pressures worldwide have remained subdued by historical standards.

In the US, economic activity remains in good shape, underpinned by improving consumer and business sentiment, a strong labour market and a recovery in the energy sector. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the review year. The Fed also began unwinding its asset purchase programme, known as quantitative easing (QE), in October. In December, Congress approved US President Donald Trump's tax reforms which include a cut in the main rate of corporation tax from 35% to 21%.

The Eurozone economy grew at its fastest pace for a decade in 2017, although there was some loss of momentum during the first half of 2018 with a slowdown in Germany and France, the region's two largest economies. The European Central Bank (ECB) announced it would cease its monthly asset purchase programme by the end of 2018. With inflation remaining subdued the ECB has signalled interest rates are likely to remain on hold until at least mid-2019.

In the UK, both economic and political uncertainties have heightened over the review year, with precariousness as to the outcome of the UK government's strategy on Brexit and the implications for trade with the EU. The UK economy grew at its slowest pace for six years during the first quarter of 2018. The Bank of England voted to increase interest rates to 0.5% on 2 November 2017, removing the emergency support announced in August 2016 in the wake of the EU referendum, but shelved plans for an additional rate hike in May.

Manager's Investment Report continued

Looking at the Asian economies, Japan recorded eight consecutive quarters of growth as monetary policy has remained loose, although the economy contracted during the first quarter of 2018 as an unexpected decline in household consumption offset a rise in business spending. The Chinese authorities have adopted a range of policy initiatives to facilitate the economy's transition from export and investment-driven growth towards consumption and services, while tightening regulation of shadow banking and encouraging debt reduction in the broader economy. Recent Chinese economic indicators suggest year-on-year growth remains in line with the government's 6.5% target.

Amongst other emerging economies, Brazil saw a turn in fortunes after a two-year recession ended in 2017, while Russia has recorded its sixth consecutive quarter of growth, given the boost of a recovery in commodity markets.

Fund Review

The Fund produced a positive return over the review year.

The Fund's equities allocation was a key contributor to Fund performance. During the 2017 portion of the review period, performance was driven by European and UK equities. Having suffered during early 2018, UK equities have contributed to performance more recently, alongside US stocks. REITs and infrastructure assets also added value. However, this was partially offset by the exposure to both local and hard currency emerging market debt.

We switched from a third party listed infrastructure ETF and invested into the newly launched L&G Global Infrastructure Index Fund. We reduced our global credit exposure as we believe it is a less attractive asset class as the economy moves into late cycle. We also reduced the duration of the fixed income portion by selling bunds and gilts.

Outlook

Two countervailing forces are keeping markets in something of a holding pattern recently: growth in the global economy and company earnings, versus the ascent of populist economic policies. We may be due to learn soon which one will gain the upper hand. Trade wars continue to occupy markets' attention. Although there has yet to be any major fall-out, our economists do anticipate some damage to growth from trade wars over the next year, and as such have slightly revised down our GDP forecasts for both the US and China.

Given the backdrop of 'good growth and bad politics' and a mid-to-late cycle economy, we have kept our equities overweight versus our strategic allocation in the funds, but would look to reduce exposure if we saw recession pressures building. We also remain less positive on corporate bonds, as credit spreads are still

Manager's Investment Report continued

not attractive despite some recent widening. Lastly, we continue to look to protect the portfolios through taking more of our fixed income exposure via global inflation-linked bonds and being more selective within emerging market equities.

Legal & General Investment Management Limited

(Investment Adviser)

21 August 2018

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.

Minimum Investment Amounts

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

R-Class	£20
F-Class	£20
I-Class	£1,000,000
C-Class	£100,000,000
D-Class	£100

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Fund and
- ii) distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

C-Class units are only available to distributors who actively market and distribute such units (or whom the Manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

Other Information

The information in this report is designed to enable unitholders to understand how the Fund 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 Fund can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

Significant Changes

Closure of the A and B Class

As at 26 January 2018, the A and B Class were closed. All unitholders in the A and B Class as at 26 January 2018 have been moved into the R-Class.

Change of FMF for R-Class

With effect from 29 January 2018, the Fund Management Fee (FMF) on the R-Class has been reduced from 1.67% to 1.17%.

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Fund and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Fund 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 Mixed Investment 0-35% Fund, 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 PLC

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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www.legalandgeneral.com
NTR0918

