

Legal & General US Index Trust
**Interim Manager's
Short Report
for the period ended
5 June 2019**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the US equity market, as represented by the FTSE USA Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE USA Index will be held with weightings generally proportionate to their company's market capitalisation.

From time to time, non-Index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

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

Risk Profile

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 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 Trust is invested in overseas financial securities.

The performance of the Trust may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.

Trust Facts

Period End Dates for Distributions:	5 Jun, 5 Dec	
Distribution Dates:	5 Aug, 5 Feb	
Ongoing Charges Figures:	5 Jun 19	5 Dec 18
R-Class	0.48%	0.65%
F-Class	0.34%	0.34%
I-Class	0.10%	0.10%
C-Class	0.06%	0.06%
L-Class ¹	0.05%	—

¹ See Significant Change on page 8.

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 trust 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 five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 5 August 2019 is 2.6850p per unit for distribution units and 3.1333p per unit for accumulation units.

F-Class

The distribution payable on 5 August 2019 is 3.0068p per unit for distribution units and 3.5988p per unit for accumulation units.

I-Class

The distribution payable on 5 August 2019 is 3.5197p per unit for distribution units and 4.4068p per unit for accumulation units.

C-Class

The distribution payable on 5 August 2019 is 3.6048p per unit for distribution units and 4.5232p per unit for accumulation units.

L-Class

The distribution payable on 5 August 2019 is 0.1175p per unit for accumulation units.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	711,136,784	160,065,643	444.28
Accumulation Units	304,386,537	58,353,423	521.63
F-Class			
Distribution Units	434,449	97,644	444.93
Accumulation Units	3,104,393	579,072	536.10
I-Class			
Distribution Units	1,036,571,434	233,119,934	444.65
Accumulation Units	672,407,312	119,834,558	561.11
C-Class			
Distribution Units	192,504,948	43,298,242	444.60
Accumulation Units	898,770,706	159,829,746	562.33
L-Class			
Accumulation Units	980	2,000	49.00

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.

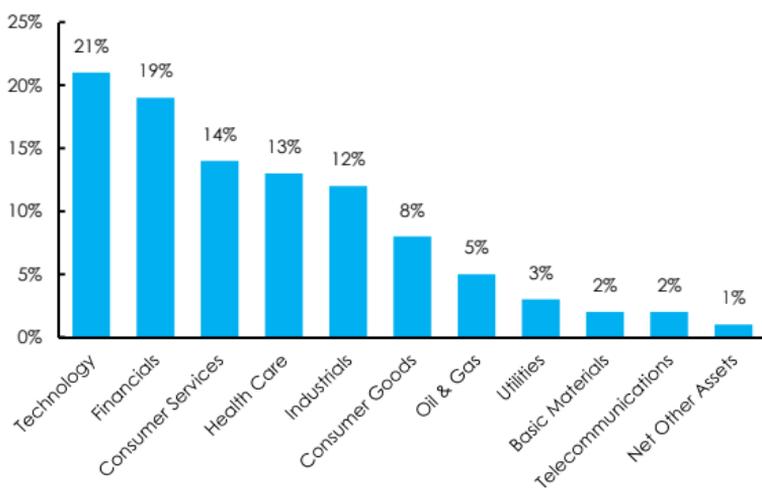
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

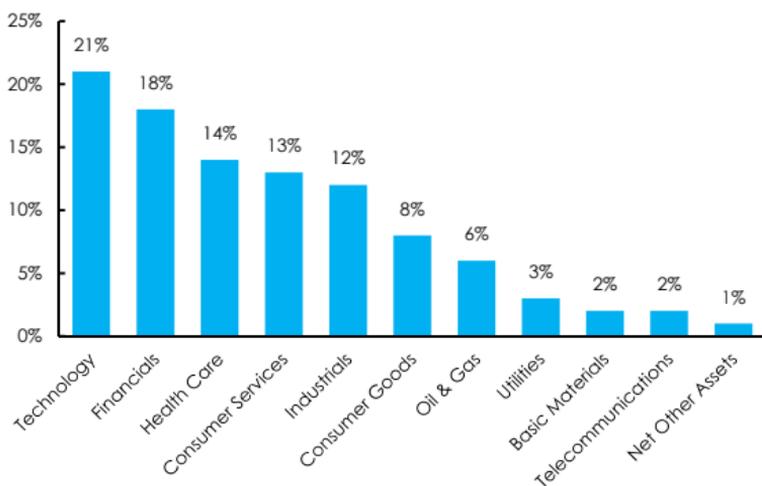
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 5 June 2019		Top 10 Holdings at 5 December 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Microsoft	3.81%	Apple	3.57%
Apple	3.51%	Microsoft	3.44%
Amazon.com	2.87%	Amazon.com	2.84%
Facebook 'A'	1.60%	Johnson & Johnson	1.65%
JPMorgan Chase & Co.	1.45%	JPMorgan Chase & Co.	1.49%
Johnson & Johnson	1.45%	Exxon Mobil	1.42%
Alphabet 'C'	1.28%	Facebook 'A'	1.38%
Alphabet 'A'	1.25%	Alphabet 'C'	1.35%
Exxon Mobil	1.25%	Alphabet 'A'	1.32%
Visa	1.15%	UnitedHealth Group	1.13%

Trust Holdings as at 5 June 2019



Trust Holdings as at 5 December 2018



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units rose by 4.46%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 3pm. Therefore, for tracking purposes the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review period, the Trust rose by 4.88% compared with the FTSE USA Index increase of 4.84% (source: Bloomberg), producing a tracking difference of +0.04%.

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

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Market/Economic Review

US equities rallied strongly during the opening months of 2019, boosted by an upturn in domestic economic growth and encouraging quarterly earnings announcements. After US-China trade talks broke down, the market fell sharply during May. While the latest economic growth (GDP) release for the first quarter indicated that the US economy remained on course to record its longest-ever expansion later this year, other recent data releases have signalled a loss of momentum. Investors have scaled back expectations for earnings growth this period, as the impact of earlier corporation-tax cuts has now largely run its course. Technology, real estate and the materials sector outperformed the market, while energy and healthcare were the weakest sectors.

Trust Activity

Companies held within the Trust are held with weightings generally proportionate to those of the Index. Hence investment activity, other than to raise or invest cash, is only necessary when there are changes in the issued share capital or free float of the constituent companies, or to the constituents of the Index.

AXA Equitable, a Life Insurance company was the only addition in the December 2018 quarterly Index review. There were four deletions: Express Scripts, Perspecta, Apergy and Veoneer. There were 198 changes to the free share capital of constituents, with the largest increases being Cigna, Salesforce.com and NextEra Energy. The largest decreases were Technology and Software stocks,

Manager's Investment Report continued

QUALCOMM, Oracle and Apple. The two-way Index turnover was 1.48%.

The March 2019 Index review resulted in nine additions, the largest being Veeva Systems, DexCom and W.P. Carey which are Software, Healthcare and Real Estate stocks respectively. There were also 13 deletions from the Index, the largest being Shopify, an IT Services company providing a cloud-based commerce platform. Other deletions included Mattel, Nuance Communications and Brighthouse Financial. There were 162 changes to the free share capital of constituents, with the largest increases being Amazon.com, Salesforce.com and IQVIA. The largest decreases were Eli Lilly, Oracle and Wells Fargo. The review resulted in a two-way Index turnover of 1.34%.

Outside of the Index reviews, Cigna was the largest increase in the Index following its December 2018 merger with Express Script Holding which was subsequently the largest deletion from the Index review. One of the biggest corporate actions affecting the Index was DowDuPont separation into three independent companies through the spin-off of Dow and Corteva and the subsequent creation of a new renamed company, DuPont de Nemours.

At the end of the review period, the Trust's three largest holdings were Microsoft (3.8%), Apple (3.5%) and Amazon.com (2.9%).

Outlook

Two factors are driving a brighter medium-term outlook: the lengthening of the economic cycle and the related scaling down of immediate credit risks.

With the US Federal Reserve's quantitative tightening almost complete and interest rates expected to remain low, we are increasingly of the view that the long economic cycle currently underway is likely to grow longer yet.

Though we have seen some improvement in the noises around a possible trade deal between the US and China, we don't believe any of the fundamentals have improved lately. We believe investors should remain diversified globally to minimise the impact of spikes in geopolitical risks.

We acknowledge that we will need to remain tactical where we can, as most of the positive equity returns we anticipated for 2019 have already been chalked up in less than a quarter.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)
2 July 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.

Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Trust is 0.04%, whilst over the last three years to the end of May 2019, the annualised Tracking Error of the Trust is 0.08%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.50% per annum.

Minimum Investment Amounts

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

R-Class	£100
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000
L-Class	£100,000

In addition, monthly contributions can be made into the R-Class with a minimum amount of £20 per month and with a minimum amount of £50 per month into the F-Class.

Class F units are available to:

- i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Trust; 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.

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.

Minimum Investment Amounts continued

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.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the period under review and how it is invested at the period 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.

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

Significant Change**New Unit Class: L-Class**

L-Class accumulation units were launched on 25 April 2019.

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

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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

**Authorised and regulated by the
Financial Conduct Authority**

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