

Legal & General International Index Trust
**Interim Manager's
Short Report
for the period ended
6 April 2019**



Investment Objective and Policy

The objective of the Trust is to track the capital performance of global equity markets, as represented by the FTSE World (excluding UK) Index, by investment mainly in a representative sample of stocks selected from all economic sectors.

Exposure to securities in the FTSE World (excluding UK) Index will be held with weightings generally proportionate to each company's market capitalisation. Derivatives will be used for Efficient Portfolio Management purposes only.

Where the Trust is of a relatively small size, the accuracy of the weighting of holdings may not reflect the composition of the FTSE World (excluding UK) Index.

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 also invest in deposits, cash, near cash, Collective Investment Schemes and money market instruments.

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:		6 Apr, 6 Oct
Distribution Dates:		6 Jun, 6 Dec
Ongoing Charges Figures:	6 Apr 19	6 Oct 18
R-Class	0.51%	0.73%
F-Class	0.37%	0.37%
I-Class	0.13%	0.13%
C-Class	0.08%	0.08%

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 6 June 2019 is 0.7926p per unit for distribution units and 0.9157p per unit for accumulation units.

F-Class

The distribution payable on 6 June 2019 is 0.8803p per unit for distribution units and 1.0421p per unit for accumulation units.

I-Class

The distribution payable on 6 June 2019 is 1.0130p per unit for distribution units and 1.2432p per unit for accumulation units.

C-Class

The distribution payable on 6 June 2019 is 1.0407p per unit for distribution units and 1.2809p 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	20,616,106	17,611,765	117.06
Accumulation Units	89,616,333	65,816,144	136.16
F-Class			
Distribution Units	123,199	105,031	117.30
Accumulation Units	755,783	540,327	139.88
I-Class			
Distribution Units	331,499,940	283,027,429	117.13
Accumulation Units	662,663,043	457,137,041	144.96
C-Class			
Distribution Units	432,092,798	369,035,026	117.09
Accumulation Units	375,201,896	258,126,698	145.36

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.

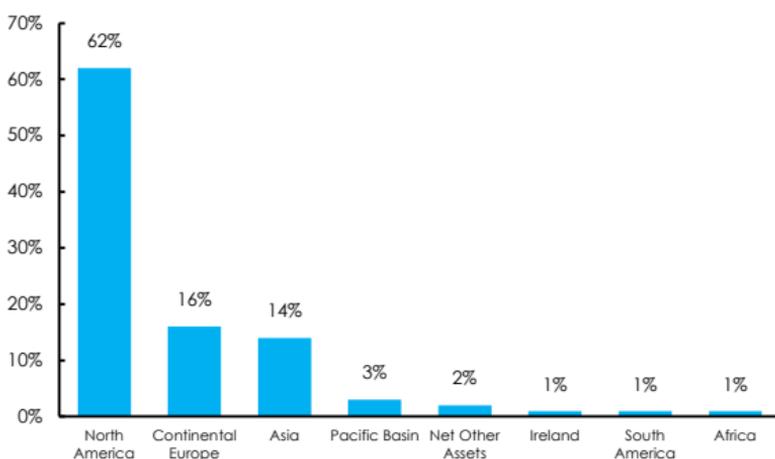
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

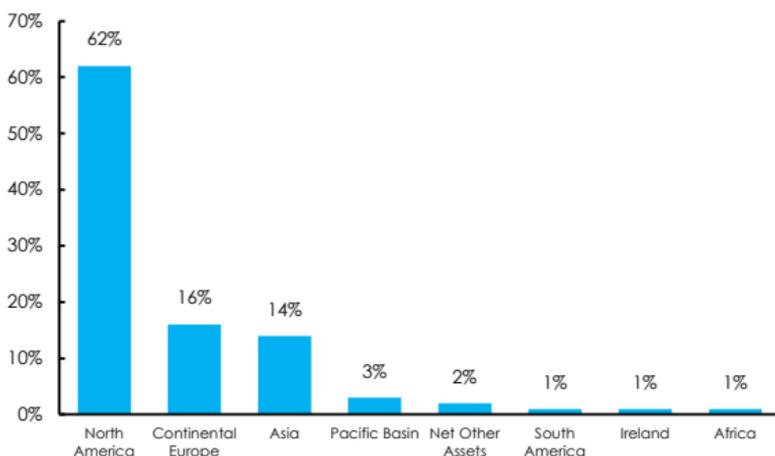
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 6 April 2019		Top 10 Holdings at 6 October 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Apple	2.23%	Apple	2.56%
Microsoft	2.17%	Microsoft	1.99%
Amazon.com	1.80%	Amazon.com	1.81%
Facebook 'A'	1.00%	JPMorgan Chase	0.91%
Alphabet 'A'	0.90%	Facebook 'A'	0.89%
Johnson & Johnson	0.86%	Johnson & Johnson	0.88%
Alphabet 'C'	0.86%	Exxon Mobil	0.85%
JPMorgan Chase	0.83%	Alphabet 'A'	0.83%
Exxon Mobil	0.82%	Alphabet 'C'	0.82%
Nestlé	0.70%	Berkshire Hathaway 'B'	0.67%

Trust Holdings as at 6 April 2019



Trust Holdings as at 6 October 2018



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 0.17%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices and foreign exchange rates, 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 had a return of 0.49% on a capital only basis compared with the FTSE World (ex UK) Index return of 0.46% (Source: Bloomberg), 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.

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Market/Economic Review

Global equity indices have produced disappointing returns over the past six months. Markets became increasingly volatile as 2018 ended, recording heavy losses before rallying during the opening quarter of 2019. In recent months, some of the concerns that had preoccupied investors late last year have abated, as the US Federal Reserve indicated that there would be no interest-rate hikes this year and US-China trade talks yielded some progress. Sectors less sensitive to the economic cycle, such as Consumer Staples, performed well in late 2018 but since the turn of the year, investors have favoured sectors perceived to offer superior earnings growth, such as Technology.

Despite positive economic indicators, US equities recorded a loss over the period. The market fell sharply in December as concerns about the impact of higher interest rates on the economic prospects for 2019 and the political impasse between the Trump administration and Congress combined to unsettle investors. Lower corporation taxes, which came into effect early in 2018, have been a significant stimulus for both earnings and dividend growth although expectations for 2019 have been scaled back, reflecting headwinds from the US-China trade dispute and slower global economic growth. Real estate, technology and utilities outperformed the market, while energy, healthcare and financials were the weakest sectors.

Manager's Investment Report continued

Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the benchmark Index. Therefore, investment activity, other than to raise or invest cash, is only necessary when there are changes to the benchmark Index, or as a result of a corporate action.

There were two quarterly Index reviews that occurred during the review period. The December 2018 Index review saw 5 additions, the largest being Softbank (Japan), AXA Equitable (US) and Adyen (Netherlands). The review resulted in 11 deletions; the largest were Express Script (US), Perspecta (Sweden) and Apergy (US). There were changes to the free share capital of 379 constituents, the most significant being 2 increases in the Healthcare stocks Takeda Pharmaceutical (Japan) and Cigna (US), and a decrease in the weighting of Qualcomm (US). The review resulted in a 1.31% two-way Index turnover.

The next quarterly Index review occurred in March 2019 with 51 additions and 46 deletions. The largest additions were Veeva Systems, DexCom and W.P. Carey (all US) whereas the largest deletions were Mattel, Nuance Communications and Brighthouse Financials, also all US companies. There were changes to the free share capital of 329 constituents, the most significant being the weight decrease of Oracle and the weight increase of online retailer giant, Amazon.com. The review resulted in a 1.24% two-way Index turnover.

Outside of the Index reviews, one of the largest mergers and acquisitions (M&A's) that occurred during this period was the merger between the German company Linde and its American rival, Praxair, resulting in the creation of the world's largest industrial gas supplier. The \$80 billion Linde – Praxair merger resulted in the addition of Linde to the Index and the subsequent deletion of Praxair, effective 29th October 2018.

In March 2019, Walt Disney saw a large upweight in the Index following Fox's separation of its Broadcasting business (New Fox) and subsequent sale of its remaining business to Disney.

At the end of the review period, the Trust had holdings in 34 countries, the largest constituent countries being US (57.5%), Japan (8.7%) and France (3.4%). The largest stocks in the Trust were Apple (2.2%), Microsoft (2.2%) and Amazon.com (1.8%) respectively.

Outlook

Where previously our constructive stance on equities was predominantly tactical, we now believe the medium term view has actually improved. Two factors are driving a brighter medium-term outlook: the lengthening of the economic cycle and the related scaling down of immediate credit risks.

Manager's Investment Report continued

With the US Federal Reserve announcing plans to taper quantitative tightening and anticipating just one further interest rate increase by 2021, 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.

The Trust remains well positioned to capture the performance of the market.

Legal & General Investment Management Limited

(Investment Adviser)

30 April 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 0.08%, whilst over the last three years to the end of April 2019 the annualised Tracking Error of the Trust is 0.06%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.75% 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

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 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.

C-Class 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.

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.

Significant Change

New Unit Class: L-Class

With effect from 25 April 2019, L-Class units have launched within the Trust with accumulation units available.

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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London E14 5GL

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

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