

Legal & General Global Equity Index Fund
**Interim Manager's
Short Report
for the period ended
15 July 2019**



Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective Policy are set out below.

Prior to 7 August 2019

The investment objective of this Fund is to seek to provide both an income and capital growth by aiming to track the performance of the global equity markets, as represented by the FTSE World Index.

The Fund will invest primarily in the equities that make up the constituents of the FTSE World Index. Securities in the FTSE World Index will be held with weightings generally proportionate to their company's market capitalisation.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

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

From 7 August 2019

The objective of the Fund is to provide a combination of growth and income by tracking the performance of the FTSE World Index., the "Benchmark Index". This objective is after the deduction of charges and taxation.

The Benchmark is comprised of shares in large and middle capitalisation companies across all geographical areas.

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 90% exposure to assets that are included in the Benchmark Index.

The Fund may also invest in shares in companies which are reasonably expected to become part of the Benchmark Index in the near future or are alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an associate of the Manager 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.

Risk Profile

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 is invested in overseas financial securities.

The performance of the Fund 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.

Fund Facts

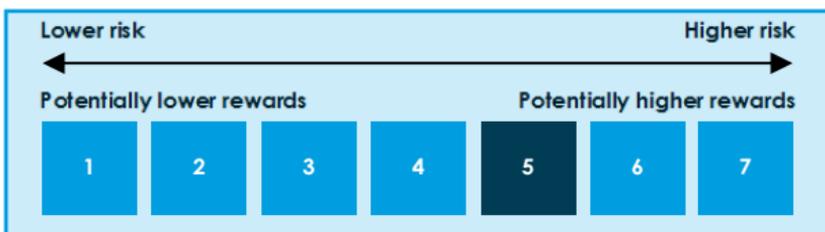
Period End Dates for Distributions:	15 Jan, 15 Jul	
Distribution Dates:	15 Mar, 15 Sep	
Ongoing Charges Figures:	15 Jul 19	15 Jan 19
R-Class	0.77%	0.85%
F-Class	0.63%	0.63%
I-Class	0.39%	0.39%
C-Class	0.28%	0.28%
L-Class ¹	0.16%	-

¹ See Significant Changes on page 9.

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.

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 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 fund in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 15 September 2019 is 2.1349p per unit for distribution units and 2.3979p per unit for accumulation units.

F-Class

The distribution payable on 15 September 2019 is 2.3191p per unit for distribution units and 2.6517p per unit for accumulation units.

I-Class

The distribution payable on 15 September 2019 is 2.6185p per unit for distribution units and 3.0616p per unit for accumulation units.

C-Class

The distribution payable on 15 September 2019 is 1.0136p per unit for accumulation units.

L-Class

The distribution payable on 15 September 2019 is 0.3230p 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	29,993,586	12,437,035	241.16
Accumulation Units	23,531,250	8,612,575	273.22
F-Class			
Distribution Units	684	282	242.55
Accumulation Units	216,257	77,186	280.18
I-Class			
Distribution Units	13,314,088	5,489,571	242.53
Accumulation Units	23,144,461	8,077,350	286.54
C-Class			
Accumulation Units	50,392,393	55,602,360	90.63
L-Class			
Accumulation Units	1,059	2,000	52.95

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.

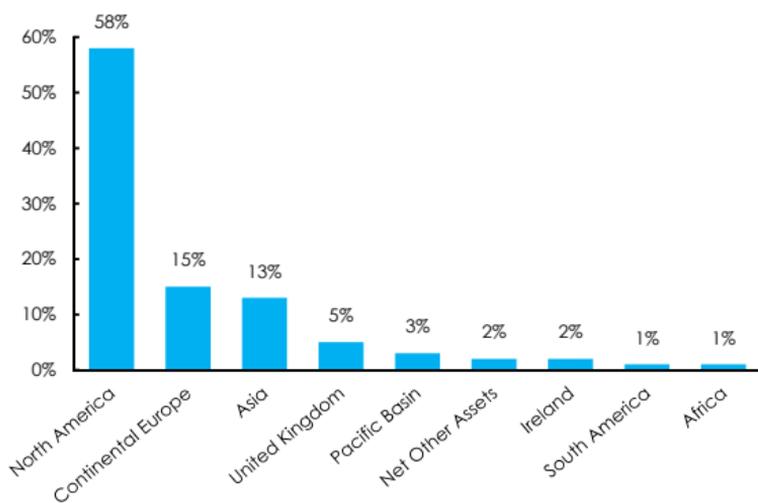
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

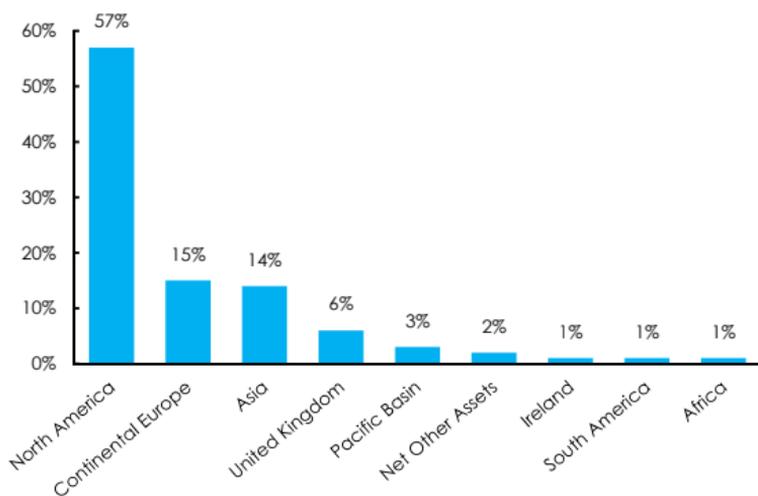
The top 10 holdings and their associated weighting at the current and preceding period ends were:

Top 10 Holdings at 15 July 2019		Top 10 Holdings at 15 January 2019	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Microsoft	2.29%	Microsoft	1.93%
Apple	2.06%	Apple	1.79%
Amazon.com	1.80%	Amazon.com	1.63%
Facebook	1.05%	Facebook	0.86%
JPMorgan Chase	0.83%	Johnson & Johnson	0.84%
Johnson & Johnson	0.79%	JPMorgan Chase	0.80%
Alphabet 'C'	0.76%	Alphabet 'A'	0.80%
Alphabet 'A'	0.75%	Alphabet 'C'	0.76%
Berkshire Hathaway 'B'	0.71%	Exxon Mobil	0.74%
Exxon Mobil	0.71%	Berkshire Hathaway 'B'	0.74%

Fund Holdings as at 15 July 2019



Fund Holdings as at 15 January 2019



Manager's Investment Report

During the period under review, the bid price of the Fund's R-Class distribution units rose by 15.37%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 3 pm. Therefore, for tracking purposes the Fund has been revalued using closing prices and foreign exchange rates. On this basis, over the review period, the Fund rose by 14.73% on a capital only basis, in line with the FTSE World Developed & Advanced Index increase of 14.66% (Source: Bloomberg), producing a tracking difference of 0.07%.

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

After a turbulent end to 2018, global equity indices rebounded over the first half of 2019, despite volatility briefly reasserting itself as US-China trade tensions escalated in May. The catalyst for the turnaround came with a change in direction at the US Federal Reserve, which back-tracked from its tightening monetary policy and indicated there would be no further interest rate hikes this year.

US equities rallied strongly during the first half of the year, boosted by an upturn in domestic economic growth and the more accommodative stance from the Federal Reserve. After US-China trade talks broke down, the market fell sharply during May before rebounding in June, closing with an encouraging G20 summit.

While the latest GDP data for the first quarter indicated that the US economy remained on course to record its longest-ever expansion later this year, recent economic releases have signaled a loss of momentum. Investors have scaled back expectations for earnings growth this year, 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, the former as rising US inventories have capped any recovery in the oil price.

Manager's Investment Report continued

Fund Review

Companies held within the Fund 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 Index, or as a result of a corporate action.

The March 2019 semi-annual Index review resulted in a near equal 52 additions and 51 deletions. Of the additions the largest were Veeva Systems and DexCom (both US). Mattel and Nuance Communications (both US) were the largest of the deletions. There were a further 340 changes to the free share capital of constituents, with the largest increase being Amazon (US). The changes resulted in a two-way Index turnover of approximately 1.25%.

The June 2019 quarterly Index review resulted in only three additions, of which the largest was Spotify Technology (US), and two deletions with the largest being Resideo Technologies (US). There were a further 1321 changes to the free share capital of constituents, with the largest being a decrease for Apple (US). The changes resulted in a two-way Index turnover of approximately 1.25%.

At the end of the period, the three largest countries in the Index were US (58.3%), Japan (8.2%) and UK (5.5%), while the three largest stocks were Microsoft (2.35%), Apple (2.11%) and Amazon.com (1.87%).

Outlook

With the Federal Reserve loosening its monetary stance once again, we think that the economic cycle is likely to grow longer yet. This is bullish, in our view, as it gives space for markets to go back to more mid-cycle dynamics – where investors tend to buy risk assets on the dip, instead of selling the rallies.

We believe credit risks over the coming year are less imminent. There are still severe warning signs over credit creation in China. But we struggle to identify a disaster catalyst, given the economy's fiscal space, the decent loan-to-deposit ratios within its banking sector, and its limited dependence on foreign investors. We believe the country has managed to stabilise its deleveraging process for now – and expect capital flight to subside or even reverse. A rebound in Chinese economic activity is likely, pepping up the outlook for global growth over 2019.

Political risk remains a worry, given rising populism, income inequality, and tensions between US and China – with no sign of fundamental improvement – as well as fractures in Europe.

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

Legal & General Investment Management Limited

(Investment Adviser)

19 August 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 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 0.08%, whilst over the last three years to the end of June 2019, the annualised Tracking Error of the Fund is 0.08%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund'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

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

Class F 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.

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 Fund 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 Fund 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 Changes**Change in Investment Objective and Policy**

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

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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

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

**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
GLG0919

