

Legal & General European Index Trust
Annual Manager's Report
for the year ended
31 July 2017

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* These collectively comprise the Authorised Fund Manager's Report.

Manager's Investment Report

Investment Objective and Policy

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

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 20.69%. 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 12 noon. Therefore, for tracking purposes, the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review year, the Trust rose by 21.14% on a capital only basis compared with the FTSE World Europe (excluding UK) Index rise of 21.02% (Source: Bloomberg), producing a tracking difference of +0.12%.

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.

The FTSE World Europe (excluding UK) Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

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Market/Economic Review

Equity markets made significant gains over the review year, reflecting a steady improvement in global economic indicators and growing optimism amongst investors. Donald Trump's unexpected victory in the US presidential election led investors to discount the prospect of fiscal stimulus in the form of increased infrastructure spending and tax cuts. The latest quarterly earnings season in the US has been broadly encouraging with results from leading technology stocks exceeding forecasts. In the UK, smaller companies and mid-cap stocks outperformed more globally focused large caps as indicators suggested the domestic economy has weathered the post-referendum volatility well. Following the US election, the Dollar rebounded sharply against the Yen, providing a significant boost for Japan's major exporting companies. Financials rallied as concerns over the impact of the Bank of Japan's negative interest rate policy eased. In contrast, European markets outperformed other regions. Corporate results in Europe have highlighted improving earnings momentum with expectations for 2017 being revised higher, while indicators suggest regional economic activity is regaining momentum. In the French presidential election, centrist candidate Emmanuel Macron won the second round by a convincing majority, underpinning the prevailing mood of optimism amongst investors.

Manager's Investment Report continued

A steadily improving economic outlook underpinned European markets although after a very strong first quarter earnings season, the second quarter has been more mixed despite companies generally meeting or beating analyst expectations. Telecommunications results suggest the sector has started to turn the corner with second quarter earnings from Orange and Telefonica exceeding expectations. French group Orange returned to growth in its domestic market for the first time since 2009 during the first half of 2017, while Spanish operator Telefonica is under new management and upgraded its full-year earnings guidance. Amongst financials, Norwegian banking group DNB reported encouraging second quarter results, due to a combination of higher income and lower impairment losses on loans. In the healthcare sector, although Swiss pharmaceutical group Roche raised its full-year earning guidance, disappointing trial results have raised doubts over whether the company's new breast cancer drug Perjeta will help shield the company's established Herceptin franchise from biosimilar competition.

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.

At the quarterly Index review in September 2016, there were nine additions, the largest of which were Huhtamaki (Finland), ICA Gruppen (Sweden) and Flughafen Zuerich (Switzerland). There were also five deletions from the Index, the largest of which were Banco Popolare (Italy), GAM (Switzerland) and Banco Comercial Portugues (Portugal). There were 65 changes to the free share capital of constituents with the largest increases being Credit Suisse Group (Switzerland) and Iberdrola (Spain), and the largest decreases being UBS Group (Switzerland) and Fresenius (Germany), resulting in total two-way Index turnover of 1.17%.

The December 2016 quarterly Index review resulted in no additions and no deletions. There were 57 changes to the free share capital of constituents with the largest increases being Daimler (Germany) and CaixaBank (Spain), and the largest decreases being Telefonica (Spain) and Luxottica (Italy), resulting in total two-way Index turnover of 0.83%.

The March 2017 annual Index review resulted in 10 additions, the largest of which were Kingspan Group (Ireland), Temenos Group (Switzerland) and Merlin Properties Socimi (Spain). There were three deletions which were Energa SA (Poland), SKF A (Sweden) and Yazicilar (Turkey). There were 36 changes to the free share capital of constituents with the largest increases being Covestro (Germany) and Total (France), and the largest decreases being Mediaset (Italy) and Iberdrola (Spain), resulting in total two-way Index turnover of 1.03%.

The final quarterly Index review in June 2017 resulted in no additions and one deletion, which was Actelion (Switzerland). There were 408 changes to the free share capital of constituents following a tightening of FTSE's free float measurement criteria, with the largest increases being BNP Paribas (France) and Altice 'A' (Netherlands), and the largest decreases being Daimler (Germany) and Anheuser-Busch InBev (Belgium). Total two-way Index turnover was 2.28%.

Deletions occurring outside the quarterly Index reviews included TVN (Poland), a cable & satellite television provider, which was deleted in September 2016, following its acquisition by Scripps Networks Interactive (USA, non-constituent) for PLN 3.3 billion Zlotys; Celesio (Germany), a wholesale and retail pharmaceuticals firm, which

Manager's Investment Report continued

was deleted in October 2016, following the transfer of its listing from the Regulated Market to the over-the-counter trading market; and Pirelli & C (Italy), a consumer and industrial tyres manufacturer, which was deleted in November 2016, following a tender offer by ChemChina (non-Index constituent) for €6.5 billion. During the first half of 2017, Syngenta (Switzerland) was deleted following its acquisition by ChemChina in a deal worth \$46.3 billion followed by another significant Swiss company, Actelion, which was deleted following its acquisition by Johnson & Johnson for \$29.7 billion. Christian Dior was deleted in July 2017 following its acquisition by the Arnault family for cash and shares in Hermes International in a deal worth €9.3 billion.

Innogy (Germany) was added to the Index as a fast entry in October 2016 following its successful Initial Public Offering which raised €4.64 billion. Technip's (France) Index weight was doubled following its merger with FMC Technologies (US) in January 2017 as FTSE maintained the new company, TechnipFMC, in the Index under its French listing.

Elsewhere, there were weight increases for several companies following share offerings including Abertis Infraestructuras (Spain), ABN Amro (Netherlands) and Energias de Portugal (Portugal) and for several Spanish companies including: Repsol, Banco Santander and Telefonica after distributions of Bonus shares. Total (France) and Électricité de France (France) both offered a Scrip option dividend with 10% dividend reinvestment plan discount.

The largest countries in the Trust at the end of the review year were France (20.1%), Germany (19.6%) and Switzerland (17.7%). The largest stocks were Nestlé (3.8%), Novartis (2.9%) and Roche (2.7%) .

Outlook

Although Macron's election win in France seems to have calmed nerves of a populist rising in Europe, the structural growth and inflation headwinds in Europe are not dead. In Asia, we are still worried about Chinese debt levels and likely slowing economic growth, even if carefully managed by the government. However, the global economic cycle remains supportive of risk assets and we do not see any immediate risk of a recession.

Legal & General Investment Management Limited
(Investment Adviser)
17 August 2017

Authorised Status

Authorised Status

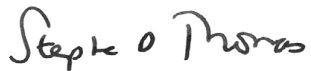
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
20 September 2017

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Manager of the Trust is required by the FCA Collective Investment Schemes sourcebook (COLL) to prepare financial statements for each accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the Scheme property for the accounting period, and the financial position of the Trust at the end of that period. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Trust will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Trust in accordance with the Trust Deed, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General European Index Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General European Index Trust ("the Trust") for the year ended 31 July 2017

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

Northern Trust Global Services Limited
UK Trustee and Depositary Services
20 September 2017

Portfolio Statement

Portfolio Statement as at 31 July 2017

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 July 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
IRELAND — 0.52% (0.47%)			
391,521	Allied Irish Banks	1,725,545	0.06
516,262	Bank of Ireland	3,224,208	0.11
86,307	Glanbia (Irish listing)	1,334,029	0.04
20,968	Glanbia (UK listing)	323,723	0.01
373,310	Irish Bank Resolution Corporation ¹	—	—
77,355	Kerry Group 'A' (Irish listing)	5,217,615	0.17
8,205	Kerry Group 'A' (UK listing)	553,356	0.02
88,235	Kingspan Group	2,239,395	0.08
54,129	Ryanair	863,033	0.03
		15,480,904	0.52
CONTINENTAL EUROPE — 97.32% (96.92%)			
Austria — 0.53% (0.39%)			
41,951	Andritz	1,946,409	0.06
159,726	Erste Bank Group	5,054,077	0.17
82,362	OMV	3,576,916	0.12
79,223	Raiffeisen Bank International	1,757,478	0.06
78,957	Telekom Austria	541,178	0.02
23,074	Vienna Insurance Group	529,303	0.02
66,368	Voest-Alpine	2,564,294	0.08
		15,969,655	0.53
Belgium — 2.62% (2.96%)			
14,193	Ackermans	1,945,094	0.07
113,483	Ageas	3,885,563	0.13
440,070	Anheuser-Busch InBev	40,481,955	1.36
58,147	bpost	1,209,617	0.04
38,159	Colruyt	1,620,032	0.05
42,676	Groupe Bruxelles Lambert	3,314,194	0.11
159,429	KBC	9,971,063	0.33
79,593	Proximus	2,131,418	0.07
7,355	Sofina	822,554	0.03
42,208	Solvay	4,614,722	0.15
28,266	Telenet	1,496,685	0.05
69,872	UCB	3,830,897	0.13
49,967	Umicore	3,046,436	0.10
		78,370,230	2.62
Czech Republic — 0.12% (0.12%)			
95,732	CEZ	1,310,385	0.04
45,905	Komerční Banka	1,497,877	0.05
275,772	Moneta Money Bank	756,091	0.03
13,324	O2 Czech Republic	129,593	—
		3,693,946	0.12
Denmark — 3.76% (4.40%)			
2,493	A.P. Moeller-Maersk 'A'	3,928,912	0.13

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Denmark — (cont.)			
3,732	A.P. Moeller-Maersk 'B'	6,200,075	0.21
1,733	Carlsberg 'A'	141,037	—
59,618	Carlsberg 'B'	4,995,253	0.17
48,483	Chr. Hansen	2,940,343	0.10
76,535	Coloplast 'B'	4,940,622	0.17
390,871	Danske Bank	11,930,082	0.40
83,029	Dong Energy	3,021,270	0.10
107,754	DSV	5,284,950	0.18
31,857	Genmab	5,487,801	0.18
104,310	ISS	3,218,838	0.11
43,338	Jyske Bank	2,055,764	0.07
33,585	Lundbeck	1,515,608	0.05
1,034,931	Novo Nordisk 'B'	33,192,847	1.11
129,628	Novozymes 'B'	4,540,834	0.15
63,786	Pandora	5,524,674	0.19
449,649	TDC	2,115,640	0.07
60,012	Tryg	1,026,574	0.03
120,936	Vestas Wind Systems	9,020,792	0.30
66,739	William Demant	1,343,020	0.04
		112,424,936	3.76
Finland — 2.27% (2.30%)			
88,976	Elisa	2,797,497	0.09
259,648	Fortum	3,238,050	0.11
59,294	Huhtamaki	1,745,528	0.06
37,610	Kesko	1,435,001	0.05
215,244	Kone	8,483,899	0.28
68,094	Metso	1,651,517	0.06
72,732	Neste Oil	2,409,657	0.08
83,985	Nokia	408,918	0.01
2,304,714	Nokia 'A'	11,177,408	0.37
907,697	Nokia 'B'	4,400,528	0.15
75,308	Nokian Renkaat	2,350,257	0.08
58,528	Orion 'B'	2,256,667	0.08
270,304	Sampo 'A'	11,178,472	0.37
331,589	Stora Enso 'R'	3,414,892	0.11
309,533	UPM-Kymmene	6,477,877	0.22
88,141	Wartsila	4,455,895	0.15
		67,882,063	2.27
France — 20.22% (19.78%)			
101,619	Accor	3,617,887	0.12
17,296	Aéroports de Paris	2,195,626	0.07
217,813	Air Liquide	20,426,014	0.68
88,337	Alstom	2,416,509	0.08
27,324	Amundi	1,606,802	0.05
41,680	Arkema	3,603,118	0.12
51,983	Afos Origin	5,992,486	0.20
1,082,559	AXA	24,339,626	0.82
8,700	AXA ADR	196,685	0.01

Portfolio Statement continued

Holding/ Nominal Value	Investment France — (cont.)	Market value £	% of Net Assets
9,319	bioMérieux	1,556,218	0.05
619,285	BNP Paribas	36,494,894	1.22
556,586	Bolloré	1,961,432	0.07
117,062	Bouygues	3,824,967	0.13
145,339	Bureau Veritas	2,490,741	0.08
90,905	Cap Gemini	7,552,106	0.25
319,355	Carrefour	5,799,825	0.19
32,027	Casino Guichard Perrachon	1,488,253	0.05
6,179	Christian Dior	1,334,840	0.05
284,015	Cie de St-Gobain	12,029,863	0.40
97,486	CNP Assurances	1,779,164	0.06
656,617	Crédit Agricole	8,728,657	0.29
327,795	Danone	18,608,030	0.62
1,309	Dassault Aviation	1,486,752	0.05
74,649	Dassault Systèmes	5,568,967	0.19
135,529	Edenred	2,713,967	0.09
41,576	Eiffage	3,059,655	0.10
241,735	Électricité de France	1,870,385	0.06
875,814	Engie	10,742,128	0.36
116,439	Essilor International	11,340,966	0.38
8,582	Euler Hermes	782,168	0.03
27,145	Eurozeo	1,673,445	0.06
100,358	Eutelsat Communications	2,070,676	0.07
43,049	Faurecia	1,822,633	0.06
23,053	Foncière des Régions	1,691,155	0.06
23,063	Gecina	2,626,695	0.09
23,063	Gecina (Rights Issue)	51,070	—
260,941	Groupe Eurotunnel	2,189,511	0.07
18,639	Hermès International	7,120,831	0.24
22,047	ICADE	1,437,211	0.05
13,756	Iliad	2,596,000	0.09
21,238	Imerys	1,393,017	0.05
32,665	Ingenico Group	2,588,140	0.09
20,820	Ipsen	1,996,192	0.07
41,786	JC Decaux	1,121,974	0.04
42,757	Kering	11,281,695	0.38
118,117	Klépierre	3,647,196	0.12
67,517	Lagardère	1,689,733	0.06
154,738	Legrand	8,221,046	0.28
137,387	L'Oréal	21,567,236	0.72
142,211	LVMH	27,136,491	0.91
104,289	Michelin	10,782,227	0.36
529,987	Natixis	2,922,835	0.10
1,100,403	Orange	14,072,264	0.47
23,733	Orpea	2,060,350	0.07
122,593	Pernod-Ricard	12,915,749	0.43
236,576	Peugeot	3,891,463	0.13
35,303	Plastic Omnium	1,027,276	0.03
118,489	Publicis Groupe	6,782,439	0.23

Portfolio Statement continued

Holding/ Nominal	Value	Investment	Market value £	% of Net Assets
		France — (cont.)		
	13,968	Remy Cointreau	1,237,213	0.04
	97,583	Renault	6,670,979	0.22
	170,815	Rexel	2,106,551	0.07
	167,747	Safran	12,037,391	0.40
	617,612	Sanofi	45,771,443	1.53
	13,164	Sartorius Stedim Biotech	713,274	0.02
	304,707	Schneider Electric	18,212,650	0.61
	88,754	SCOR	2,838,520	0.10
	15,622	SEB	2,108,812	0.07
	41,058	SFR Group	1,147,757	0.04
	14,198	Société BIC	1,258,982	0.04
	419,142	Société Générale	18,663,886	0.63
	51,237	Sodexo Alliance	4,579,533	0.15
	198,126	Suez Environnement	2,709,039	0.09
	266,215	TechnipFMC	5,867,619	0.20
	32,159	Teleperformance	3,365,103	0.11
	59,682	Thales	4,980,604	0.17
	1,267,833	Total	49,110,583	1.64
	57,204	Unibail-Rodamco	10,887,456	0.36
	136,263	Valeo	7,233,400	0.24
	289,943	Véolia Environnement	4,970,183	0.17
	266,600	Vinci	18,110,938	0.61
	616,351	Vivendi	10,818,906	0.36
	17,087	Wendel Investissement	1,965,933	0.07
	112,037	Zodiac Aerospace	2,421,821	0.08
			603,773,857	20.22
		Germany — 19.70% (19.37%)		
	113,302	adidas	19,563,954	0.66
	261,252	Allianz	42,191,205	1.41
	28,013	Axel Springer	1,340,294	0.04
	526,230	BASF	38,175,829	1.28
	476,337	Bayer	45,947,312	1.54
	30,094	Bayerische Motoren Werke (Preference Shares)	1,821,617	0.06
	58,335	Beiersdorf	4,845,248	0.16
	185,296	BMW	12,880,913	0.43
	89,912	Brenntag	3,885,917	0.13
	600,069	Commerzbank	6,000,142	0.20
	62,059	Continental	10,649,206	0.36
	65,073	Covestro	3,868,538	0.13
	563,012	Daimler	29,912,157	1.00
	1,187,108	Deutsche Bank	16,263,539	0.54
	107,614	Deutsche Boerse	8,568,890	0.29
	136,766	Deutsche Lufthansa	2,248,455	0.08
	550,985	Deutsche Post	16,175,856	0.54
	1,823,164	Deutsche Telekom	25,417,654	0.85
	2,300	Deutsche Telekom ADR	32,124	—
	198,647	Deutsche Wohnen	6,014,805	0.20
	1,191,478	E.ON	8,932,340	0.30

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Germany — (cont.)		
89,001	Evonik Industries	2,306,574	0.08
13,736	Fielmann	835,136	0.03
20,843	Fraport	1,563,688	0.05
232,416	Fresenius	15,046,964	0.50
123,407	Fresenius Medical Care	8,912,956	0.30
18,792	Fuchs Petrolub	743,883	0.02
42,545	Fuchs Petrolub (Preference Shares)	1,906,268	0.06
101,983	Gea Group	3,151,292	0.11
34,495	Hannover Rueckversicherungs	3,308,874	0.11
84,412	HeidelbergCement	6,310,890	0.21
24,723	Hella KGaA Hueck & Company	984,409	0.03
67,264	Henkel	6,395,059	0.21
101,453	Henkel (Preference Shares)	10,915,291	0.37
11,493	Hochtief	1,554,521	0.05
36,348	Hugo Boss	2,094,896	0.07
655,231	Infineon Technologies	10,804,320	0.36
78,962	Innogy	2,511,235	0.08
110,609	K+S	2,191,213	0.07
37,679	Kion	2,474,764	0.08
52,750	Lanxess	3,105,765	0.10
36,906	Leg Immobilien	2,695,195	0.09
107,793	Linde	15,702,517	0.53
19,872	MAN	1,665,649	0.06
75,774	Merck	6,318,101	0.21
93,250	Metro	790,948	0.03
93,250	Metro Wholesale & Food Specialist	1,423,839	0.05
29,779	MTU Aero Engines	3,335,689	0.11
79,372	Munich Re	12,850,207	0.43
46,835	OSRAM Licht	2,917,447	0.10
88,198	Porsche (Preference Shares)	3,832,340	0.13
130,837	ProSiebenSat.1 Media	3,932,939	0.13
2,389	Rational	1,132,456	0.04
20,202	RWE (Preference Shares)	238,031	0.01
276,855	RWE 'A'	4,406,753	0.15
522,429	SAP	42,140,781	1.41
19,460	Sartorius	1,391,563	0.05
437,278	Siemens	45,248,373	1.51
47,542	Suedzucker	765,448	0.03
69,156	Symrise	3,661,811	0.12
21,865	Talanx	685,601	0.02
400,912	Telefonica Deutschland	1,568,378	0.05
246,150	ThyssenKrupp	5,617,913	0.19
104,444	Uniper	1,626,507	0.05
68,403	United Internet	3,182,268	0.11
17,373	Volkswagen	2,077,270	0.07
104,206	Volkswagen (Preference Shares)	12,208,269	0.41
276,870	Vonovia	8,566,469	0.29
8,050	Wacker Chemie	749,514	0.03
65,389	Wirecard	3,796,717	0.13

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Germany — (cont.)			
61,059	Zalando	2,078,600	0.07
		588,461,586	19.70
Greece — 0.30% (0.24%)			
762,891	Alpha Bank	1,377,648	0.05
1,076,803	Eurobank Ergasias	877,921	0.03
20,239	FF Group	365,843	0.01
138,658	Hellenic Telecommunications Organisation	1,338,730	0.05
19,200	Hellenic Telecommunications Organisation	93,630	—
53,850	Jumbo	691,296	0.02
43,653	Motor Oil	737,565	0.02
2,987,892	National Bank of Greece	908,172	0.03
127,605	OPAP	1,119,080	0.04
3,810,862	Piraeus Bank	790,379	0.03
24,462	Titan Cement	523,310	0.02
		8,823,574	0.30
Hungary — 0.27% (0.20%)			
267,923	Magyar Telekom	367,385	0.01
31,041	MOL	2,024,772	0.07
144,124	OTP Bank	4,041,418	0.14
78,036	Richter Gedeon NYRT	1,523,739	0.05
		7,957,314	0.27
Italy — 4.65% (4.08%)			
755,749	Assicurazioni Generali	10,343,729	0.35
304,682	Atlantia	7,005,548	0.23
139,333	Banca Mediolanum	921,121	0.03
53,367	Buzzi Unicem	1,038,140	0.04
326,766	Davide De Campari Milano	1,827,210	0.06
4,456,804	Enel	19,307,733	0.65
1,433,813	ENI	17,265,710	0.58
212,266	Fincobank	1,416,559	0.05
7,102,425	Intesa Sanpaolo	18,616,368	0.62
512,119	Intesa Sanpaolo (Participating cumulative)	1,242,525	0.04
275,274	Italgas	1,141,846	0.04
224,372	Leonardo	2,964,609	0.10
89,424	Luxottica	3,973,948	0.13
206,585	Mediaset	610,926	0.02
356,597	Mediobanca	2,813,304	0.09
97,987	Moncler	1,970,949	0.07
65,881	Parmalat	179,397	0.01
280,595	Poste Italiane	1,561,506	0.05
123,514	Prysmian	3,004,478	0.10
57,350	Recordati	1,848,773	0.06
329,394	Saipem	1,025,931	0.03
24,859	Salvatore Ferragamo	541,581	0.02
1,376,671	Snam Rete Gas	4,932,672	0.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Italy — (cont.)		
3,489,828	Telecom Italia	2,174,509	0.07
6,533,485	Telecom Italia (RNC)	5,113,584	0.17
836,314	Terna	3,624,569	0.12
1,291,774	UniCredit	19,181,409	0.64
570,821	Unione di Banche Italiane	2,068,750	0.07
607,441	Unipolsai 'A'	1,057,834	0.04
		138,775,218	4.65
	Luxembourg — 0.58% (0.58%)		
349,631	ArcelorMittal	6,970,102	0.23
5,264	Eurofins Scientific	2,213,407	0.08
21,679	RTL Group	1,274,458	0.04
118,646	SES	2,120,796	0.07
85,928	SES Global 'A'	1,535,578	0.05
269,987	Tenaris	3,263,201	0.11
		17,377,542	0.58
	Netherlands — 8.27% (7.27%)		
203,439	ABN Amro	4,344,849	0.15
991,383	Aegon	4,206,235	0.14
313,686	Airbus	20,070,144	0.67
146,391	Akzo Nobel	9,986,658	0.33
178,492	Altice 'A'	3,315,005	0.11
241,827	Altice 'B'	4,489,118	0.15
184,455	ASML	21,378,996	0.72
45,211	Boskalis Westminster	1,223,839	0.04
557,857	CNH Industrial	4,869,894	0.16
63,488	EXOR	2,871,881	0.10
72,976	Ferrari	5,917,138	0.20
630,576	Fiat Chrysler Automobiles	5,744,285	0.19
48,473	Gemalto	1,865,726	0.06
30,498	GrandVision	653,391	0.02
51,756	Heineken	3,862,028	0.13
127,935	Heineken N.V.	10,118,351	0.34
2,236,667	ING Group	31,662,394	1.06
728,069	Koninklijke Ahold	11,302,426	0.38
337	Koninklijke Ahold ADR	5,238	—
105,203	Koninklijke DSM	5,875,218	0.20
1,789,023	Koninklijke KPN	4,898,772	0.16
530,722	Koninklijke Philips	15,372,215	0.52
36,567	Koninklijke Vopak	1,321,163	0.04
196,920	NN Group	6,073,419	0.20
46,275	OCI	754,149	0.03
123,455	Qiagen	3,119,479	0.10
64,035	Randstad	2,925,248	0.10
513,826	Relx	8,135,027	0.27
357,807	STMicroelectronics	4,631,714	0.16
906,883	Unilever	40,204,042	1.35

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Netherlands — (cont.)			
170,137	Wolters Kluwer	5,660,322	0.19
		246,858,364	8.27
Norway — 1.35% (1.28%)			
67,534	Aker BP	956,430	0.03
620,686	DNB	9,146,884	0.31
102,181	Gjensidige-Forsikring	1,332,631	0.05
214,452	Marine Harvest	3,004,257	0.10
753,140	Norsk Hydro	3,688,790	0.12
456,785	Orkla	3,566,961	0.12
45,699	Schibsted 'A'	875,621	0.03
47,915	Schibsted 'B'	832,743	0.03
556,538	Statoil	7,849,828	0.26
397,064	Telenor	5,999,708	0.20
98,987	Yara International	2,973,413	0.10
		40,227,266	1.35
Poland — 0.95% (0.80%)			
52,847	Alior Bank	704,186	0.02
42,430	Asseco Poland	403,168	0.01
17,341	Bank Handlowy w Warszawie	257,492	0.01
391,295	Bank Millennium	632,424	0.02
91,071	Bank Pekao	2,471,065	0.08
16,715	Bank Zachodni WBK	1,298,247	0.04
6,964	Budimex	324,198	0.01
11,797	CCC	601,259	0.02
5,000	Ciech	60,992	—
93,715	Cyfrowy Polsat	507,773	0.02
121,144	Enea	386,247	0.01
49,284	Eurocash	368,959	0.01
35,554	Grupa Azoty	522,029	0.02
52,934	Grupa Lotos	547,588	0.02
28,000	Jastrzebska Spolka Weglowa	494,446	0.02
78,571	KGHM Polska Miedz	2,048,505	0.07
834	LPP	1,244,521	0.04
7,053	mBank	660,537	0.02
385,313	Orange Polska	445,404	0.02
411,079	Polska Grupa Energetyczna	1,136,132	0.04
184,330	Polski Koncern Naftowy Orlen	4,191,806	0.14
1,011,810	Polskie Gornictwo Naftowe I Gazownictwo	1,414,160	0.05
484,899	Powszechna Kasa Oszczednosci Bank Polski	3,769,758	0.13
317,946	Powszechny Zaklad Ubezpieczen	2,966,977	0.10
254,015	Synthos	237,039	0.01
693,675	TAURON Polska Energia	552,552	0.02
		28,247,464	0.95
Portugal — 0.33% (0.32%)			
1,495,194	Banco Espirito Santo ¹	—	—
1,536,648	Energias de Portugal	4,126,660	0.14

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Portugal — (cont.)		
295,572	Galp Energia	3,590,931	0.12
137,914	Jeronimo Martins	2,050,336	0.07
		9,767,927	0.33
	Spain — 7.46% (6.57%)		
358,335	Abertis Infraestructuras	5,351,309	0.18
15,349	Acciona	997,285	0.03
77,293	Acerinox	760,076	0.03
135,717	ACS	3,998,342	0.13
37,133	Aena	5,510,519	0.18
239,908	Amadeus	11,343,384	0.38
3,225,836	Banco de Sabadell	5,464,820	0.18
822,139	Banco Santander	4,282,670	0.14
8,254,895	Banco Santander (EUR)	43,001,234	1.44
7,758	Banco Santander (GBP)	40,303	—
656,976	Bankia	2,533,693	0.08
410,872	Bankinter	3,036,906	0.10
3,832,108	BBVA	26,478,013	0.89
2,073,753	CaixaBank	8,227,515	0.28
10,282	Corp Financiera Alba	486,707	0.02
367,966	Distribuidora Internacional De Alimentacion	1,927,657	0.06
127,344	Enagas	2,749,855	0.09
181,574	Endesa	3,252,938	0.11
284,077	Ferrovial	4,684,239	0.16
185,717	Gas Natural	3,305,577	0.11
153,935	Grifols	2,425,442	0.08
192,461	Grifols 'A'	4,052,753	0.14
3,263,492	Iberdrola	19,596,668	0.66
601,786	Inditex	18,081,520	0.60
564,839	Mapfre	1,580,496	0.05
104,994	Mediaset Espana Comunicacion	989,773	0.03
196,838	Merlin Properties Socimi	2,022,750	0.07
250,728	Red Electrica de Espana	4,090,629	0.14
672,760	Repsol	8,555,330	0.29
130,073	Siemens Gamesa Renewable Energy	1,670,387	0.06
2,497,121	Telefonica	21,473,056	0.72
107,369	Zardoya Otis	860,025	0.03
		222,831,871	7.46
	Sweden — 6.16% (6.12%)		
176,388	Alfa Laval	2,971,678	0.10
532,274	Assa Abloy 'B'	8,708,225	0.29
363,524	Atlas Copco 'A'	10,015,606	0.34
222,229	Atlas Copco 'B'	5,496,302	0.18
156,816	Boliden	3,750,704	0.13
128,086	Electrolux	3,328,635	0.11
344,527	Essity	7,553,116	0.25
64,309	Fastighets AB Balder	1,244,238	0.04
113,917	Getinge	1,491,411	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Sweden — (cont.)		
546,053	Hennes & Mauritz 'B'	10,779,705	0.36
144,575	Hexagon 'B'	5,380,499	0.18
208,166	Husqvarna 'B'	1,596,597	0.05
45,830	ICA Gruppen	1,382,427	0.05
22,026	Industrivarden	405,940	0.01
220,553	Industrivarden 'B'	4,327,115	0.15
61,668	Investment AB Latour	596,570	0.02
257,617	Investor 'B'	9,343,799	0.31
135,175	Kinnevik	3,141,953	0.11
22,074	L E Lundbergforetagen	1,329,210	0.05
108,695	Lundin Petroleum	1,869,908	0.06
1,841,275	Nordea Bank	17,726,103	0.59
620,119	Sandvik	7,410,153	0.25
186,830	Securitas	2,369,009	0.08
832,778	Skandinaviska Enskilda Banken 'A'	8,017,221	0.27
210,525	Skanska 'B'	3,651,288	0.12
227,654	SKF 'B'	3,436,701	0.12
344,527	Svenska Cellulosa 'B'	2,176,240	0.07
21,198	Svenska Handelsbanken	238,815	0.01
848,225	Svenska Handelsbanken 'A'	9,603,706	0.32
610,963	Swedbank 'A'	12,141,205	0.41
106,111	Swedish Match	2,819,170	0.09
201,940	Tele2	1,831,570	0.06
1,698,156	Telefonaktiebolaget LM Ericsson	8,245,706	0.28
1,501,304	TeliaSonera	5,387,604	0.18
138,852	Trelleborg	2,466,726	0.08
904,549	Volvo 'B'	11,766,189	0.39
		184,001,044	6.16
	Switzerland — 17.78% (20.14%)		
1,105,468	ABB	19,742,343	0.66
89,983	Adecco	5,209,471	0.17
46,432	Aryzta	1,132,842	0.04
26,763	Baloise	3,252,197	0.11
1,611	Banque Cantonale Vaudoise	884,615	0.03
1,134	Barry Callebaut	1,231,137	0.04
58	Chocoladefabriken Lindt & Sprüngli	3,004,535	0.10
575	Chocoladefabriken Lindt & Sprüngli	2,487,085	0.08
165,064	Clariant	2,914,157	0.10
290,028	Compagnie Financière Richemont	18,714,700	0.63
1,418,321	Credit Suisse Group	16,778,723	0.56
16,617	DKSH	991,374	0.03
19,197	Dufry AG	2,334,296	0.08
4,317	Ems-Chemie	2,292,561	0.08
10,766	Flughafen Zuerich	2,084,100	0.07
20,886	Geberit	7,607,542	0.25
5,379	Givaudan	8,179,039	0.27
3,612	Helvetia	1,532,550	0.05
52,663	Idorsia	750,332	0.03

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Switzerland — (cont.)		
123,761	Julius Baer Group	5,333,684	0.18
28,160	Kuehne & Nagel	3,735,859	0.13
64,720	Lafargeholcim (France)	2,942,075	0.10
212,609	Lafargeholcim (Switzerland)	9,663,431	0.32
43,377	Lonza Group	7,848,769	0.26
1,790,487	Nestle	115,535,144	3.87
1,357,782	Novartis	88,040,240	2.95
17,531	Pargesa	1,053,472	0.04
10,194	Partners Group	5,017,453	0.17
23,125	PSP Swiss Property	1,613,818	0.05
8,694	Roche	1,706,203	0.06
412,675	Roche (Part Certified)	79,594,753	2.66
22,735	Schindler (Part Certified)	3,740,739	0.13
11,614	Schindler (Registered)	1,858,961	0.06
2,837	SGS	4,810,433	0.16
1,194	Sika	6,265,805	0.21
29,468	Sonova	3,638,736	0.12
5,951	Straumann	2,555,338	0.09
7,524	Sulzer	642,021	0.02
28,521	Swatch Group	1,667,985	0.06
17,058	Swatch Group 'B'	5,113,861	0.17
18,395	Swiss Life	5,072,815	0.17
40,651	Swiss Prime Site	2,798,607	0.09
181,845	Swiss Re	13,254,227	0.44
13,121	Swisscom	4,894,569	0.16
32,500	Temenos Group	2,395,632	0.08
2,023,310	UBS Group	26,921,748	0.90
28,590	Vifor Pharma	2,313,897	0.08
86,463	Zurich Financial Services	19,975,225	0.67
		531,129,099	17.78
	MIDDLE EAST — 0.85% (0.86%)		
	Turkey — 0.85% (0.86%)		
1,185,083	Akbank	2,663,798	0.09
88,163	Anadolou Efes Biracilik	397,865	0.01
95,211	Arcelik	536,267	0.02
100,323	Aselsan Elektronik nayi Ve Ticaret	524,295	0.02
37,481	Aygaz	130,019	0.01
125,103	Bim Birlesik Magazalar	1,853,508	0.06
42,532	Coca-Cola Icecek	392,705	0.01
1,157,462	Emlak Konut Gayrimenkul Yatirim Ortakligi	803,029	0.03
416,841	Enka Insaat ve Sanayi	495,510	0.02
813,768	Eregli Demir ve Celik Fabrikalari	1,392,980	0.05
37,897	Ford Otomotiv Sanayi	367,601	0.01
496,076	Haci Omer Sabanci	1,155,809	0.04
372,956	KOC	1,313,906	0.04
26,786	Koza Altin Isletmeleri	187,921	0.01
28,852	Migros Ticaret	186,078	0.01
286,337	Petkim Petrokimya	398,550	0.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Turkey — (cont.)			
84,042	TAV Havalimanlari	388,713	0.01
65,646	Tofas Turk Otomobil Fabrikasi	438,699	0.02
67,434	Tupras-Turkiye Petrol Rafinerileri	1,574,062	0.05
323,520	Turk Hava Yollari	611,127	0.02
321,318	Turk Telekomunikasyon	503,492	0.02
7,132	Turk Traktor ve Ziraat Makineleri	126,785	—
568,896	Turkcell Iletisim Hizmet	1,594,748	0.05
1,157,198	Turkiye Garanti Bankasi	2,631,132	0.09
399,658	Turkiye Halk Bankasi	1,283,591	0.04
795,127	Turkiye Is Bankasi	1,295,767	0.04
532,739	Turkiye Sincal Kalkinma Bankasi	176,167	0.01
377,352	Turkiye Sise Ve Cam Fabrikalari	369,457	0.01
596,098	Turkiye Vakiflar Bankasi	910,870	0.03
86,362	Ulker Biskuvi Sanayi	396,831	0.01
432,828	Yapi ve Kredi Bankasi	423,773	0.01
		25,525,055	0.85
FORWARD CURRENCY CONTRACTS			
— 0.00% (0.00%)			
GBP(404,897)	Sold Sterling		
CHF500,000	for Swiss Franc (Expires 11/08/2017) ²	(12,284)	—
GBP(663,602)	Sold Sterling		
EUR750,000	for Euro (Expires 04/08/2017) ²	6,907	—
GBP(1,565,106)	Sold Sterling		
EUR1,750,000	for Euro (Expires 11/08/2017) ²	(348)	—
		(5,725)	—
FUTURES CONTRACTS			
— 0.00% (0.00%)			
350	Euro Stoxx 50 Future Expiry September 2017	(102,047)	—
38	Swiss Market Index Future (Expiry September 2017)	8,290	—
		(93,757)	—
Portfolio of investments^{3,4}		2,947,479,433	98.69
Net other assets		39,269,640	1.31
Total net assets		£2,986,749,073	100.00%

¹ Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

² Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

³ Including investment liabilities.

⁴ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £264,234,958.

Total sales for the year: £273,938,356.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General European Index Trust

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General European Index Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 31 July 2017 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution table; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Independent Auditors' Report continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 6, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2017

Notes:

- a) The maintenance and integrity of the Legal & General website is the responsibility of the Authorised Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Statement of Total Return for the year ended 31 July 2017

Notes	31/07/17		31/07/16	
	£	£	£	£
Income				
Net capital gains	3	521,805,241		99,124,348
Revenue	4	82,253,333	85,421,371	
Expenses	5	(13,483,363)	(12,420,231)	
Interest payable and similar charges	7	(114,999)	(68,036)	
Net revenue before taxation		68,654,971	72,933,104	
Taxation	6	(3,361,039)	4,674,290	
Net revenue after taxation for the year		65,293,932	77,607,394	
Total return before distributions		587,099,173	176,731,742	
Distributions	7	(65,305,541)	(77,677,725)	
Change in net assets attributable to Unitholders from investment activities		£521,793,632	£99,054,017	

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 July 2017

	31/07/17		31/07/16	
	£	£	£	£
Opening net assets attributable to Unitholders		2,490,248,979		2,321,958,828
Amounts received on issue of units		303,080,722	257,596,909	
Amounts paid on cancellation of units		(334,163,614)	(217,727,834)	
Amounts paid on in-specie transactions		(19,523,835)	–	
		(50,606,727)	39,869,075	
Change in net assets attributable to Unitholders from investment activities		521,793,632	99,054,017	
Retained distributions on accumulation units		25,313,189	29,367,059	
Closing net assets attributable to Unitholders		£2,986,749,073	£2,490,248,979	

Financial Statements continued

Balance Sheet as at 31 July 2017

	Notes	31/07/17 £	31/07/16 £
ASSETS			
Fixed assets:			
Investments		2,947,594,112	2,446,601,898
Current assets:			
Debtors	8	37,894,291	63,483,668
Cash and bank balances	9	59,796,943	75,107,709
Total assets		<u>3,045,285,346</u>	<u>2,585,193,275</u>
LIABILITIES			
Investment liabilities			
		(114,679)	(23,561)
Creditors:			
Bank overdrafts	9	(634)	(16,963,535)
Distributions payable		(41,238,034)	(47,566,266)
Other creditors	10	(17,182,926)	(30,390,934)
Total liabilities		<u>(58,536,273)</u>	<u>(94,944,296)</u>
Net assets attributable to Unitholders		<u>£2,986,749,073</u>	<u>£2,490,248,979</u>

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The principal accounting policies which have been applied consistently are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Revenue from derivative instruments is treated in accordance with note 2(i).

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

(e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution, on an annual basis, in accordance with the COLL.

Fund management fees are deducted from revenue for the purpose of calculating the distribution.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Trust.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 31 July 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

(g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 31 July 2017, being the last working day of the accounting year.

(i) Derivative Instruments

The Trust may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Trust with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Trust have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

3. Net capital gains

	31/07/17	31/07/16
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	519,641,047	99,082,538
Derivative securities	1,814,649	(1,685,649)
Forward currency contracts	394,911	979,360
Currency (losses)/gains	(45,366)	748,258
Transaction charges	-	(159)
Net capital gains	<u>521,805,241</u>	<u>99,124,348</u>

Notes to the Financial Statements continued

4. Revenue

	31/07/17	31/07/16
	£	£
Taxable overseas dividends	403,400	329,115
Non-taxable overseas dividends	72,016,561	78,602,944
Futures revenue	330,074	247,736
Franked stock dividends	9,465,379	3,710,322
Interest on overseas tax reclaims	18,730	2,509,041
Bank interest	19,189	22,213
	<u>82,253,333</u>	<u>85,421,371</u>

5. Expenses

	31/07/17	31/07/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>13,483,363</u>	<u>12,420,231</u>
Total expenses	<u>13,483,363</u>	<u>12,420,231</u>

Audit fees of £10,115 plus VAT on Audit fees of £2,023 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £9,950 plus VAT of £1,990.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	31/07/17	31/07/16
	£	£
Overseas tax	4,142,539	6,086,066
Overseas tax reclaims	<u>(781,500)</u>	<u>(10,760,356)</u>
Current tax [note 6(b)]	3,361,039	(4,674,290)
Deferred tax [note 6(c)]	–	–
Total taxation	<u>3,361,039</u>	<u>(4,674,290)</u>

(b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>68,654,971</u>	<u>72,933,104</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	13,730,994	14,586,621
Effects of:		
Overseas tax	4,142,539	6,086,066
Overseas tax reclaims	(781,500)	(10,760,356)
Revenue not subject to taxation	(16,312,769)	(16,462,653)
Excess non trade loan deficits	15,416	–
Excess management expenses not utilised	<u>2,566,359</u>	<u>1,876,032</u>
Current tax	<u>3,361,039</u>	<u>(4,674,290)</u>

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £16,137,640 (31 July 2016: £13,571,281) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amounts and therefore no deferred tax asset has been recognised (31 July 2016: same).

Notes to the Financial Statements continued

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	31/07/17	31/07/16
	£	£
Final distribution	<u>66,551,223</u>	<u>76,933,325</u>
	66,551,223	76,933,325
Add: Revenue deducted on cancellation of units	2,010,626	3,668,923
Add: Revenue deducted on in-specie transactions	35,956	–
Less: Revenue received on creation of units	<u>(3,292,264)</u>	<u>(2,924,523)</u>
Distributions for the year	<u>65,305,541</u>	<u>77,677,725</u>
Interest payable and similar charges		
Bank overdraft interest	<u>114,999</u>	<u>68,036</u>
	<u>65,420,540</u>	<u>77,745,761</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	31/07/17	31/07/16
	£	£
Net revenue after taxation for the year	65,293,932	77,607,394
Equalisation uplift on units conversions	<u>11,609</u>	<u>70,331</u>
Distributions for the year	<u>65,305,541</u>	<u>77,677,725</u>

8. Debtors

	31/07/17	31/07/16
	£	£
Accrued revenue	314,440	588,672
Amounts receivable for creation of units	20,339,980	48,557,681
Overseas tax recoverable	16,350,708	13,901,750
Receivable for foreign exchange contracts	–	151,470
Sales awaiting settlement	<u>889,163</u>	<u>284,095</u>
	<u>37,894,291</u>	<u>63,483,668</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	31/07/17	31/07/16
	£	£
Amounts held at futures clearing houses and brokers	865,526	1,430,853
Cash and bank balances	58,931,417	73,676,856
Bank overdrafts	(634)	(16,963,535)
Net uninvested cash	<u>59,796,309</u>	<u>58,144,174</u>

10. Other creditors

	31/07/17	31/07/16
	£	£
Accrued expenses	1,264,715	1,084,861
Amounts payable for cancellation of units	1,201,309	1,387,186
Payable for foreign exchange contracts	1,253	–
Purchases awaiting settlement	<u>14,715,649</u>	<u>27,918,887</u>
	<u>17,182,926</u>	<u>30,390,934</u>

11. Contingent liabilities and outstanding commitments

Contingent liabilities and outstanding commitments at the balance sheet date were:

	31/07/17	31/07/16
	£	£
Commitments on rights issues	<u>325,395</u>	–
Total	<u>325,395</u>	–

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

The investments of a Trust in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Trust has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Trust is detailed on page 2.

(a) Market Risk arising from other price 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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Trust can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Trust. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Trust's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 31 July 2017, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £147,373,972 (31 July 2016: £122,328,917).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Trust's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

In the event of a change in interest rates, there would be no material impact upon the assets of the Trust.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

At 31 July 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £29,803,527 (31 July 2016: £25,135,039).

The direct foreign currency profile of the Trust's net assets at the balance sheet date was:

31/07/17 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Czech Koruna	129	3,694	3,823
Danish Krone	1,025	112,425	113,450
Euro	18,192	2,016,436	2,034,628
Hungarian Forint	10	7,957	7,967
Norwegian Krone	894	40,227	41,121
Polish Zloty	275	28,247	28,522
Swedish Krona	511	184,001	184,512
Swiss Franc	11,825	528,195	540,020
Turkish Lira	6	25,525	25,531
US Dollar	41	737	778

31/07/16 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Czech Koruna	118	2,999	3,117
Danish Krone	1,977	109,504	111,481
Euro	41,061	1,604,147	1,645,208
Hungarian Forint	123	5,015	5,138
Norwegian Krone	656	31,894	32,550
Polish Zloty	507	19,994	20,501
Swedish Krona	1,596	152,331	153,927
Swiss Franc	20,655	498,534	519,189
Turkish Lira	246	21,535	21,781
US Dollar	12	599	611

(d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Trust's investment objective and policy.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Trust is the liability to Unitholders for any cancellation of units.

The Trust can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

(f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date, the Trust made use of the following derivatives:

Futures

Futures are used to adjust the duration and interest rate risk of the Trust in a cost effective manner. The effect of these instruments was to increase the exposure of the Trust by £13,565,279 (2016: £15,150,097), representing 0.45% of the net asset value (2016: 0.61%).

This results in an effective equity exposure at the year end of 98.64% (2016: 98.86%) of net assets, which means that the gains or losses of the Trust will be 0.9864 (2016: 0.9886) times the gains or losses if the Trust was fully invested in equities.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(g) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Trust's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Trust's financial instruments as at the balance sheet date were:

31/07/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	2,947,587,205	(102,047)
Level 2 - Observable Market Data	6,907	(12,632)
Level 3 - Unobservable Data	—	—
Total	2,947,594,112	(114,679)

31/07/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	2,446,601,898	(23,561)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	2,446,601,898	(23,561)

Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

31/07/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	263,979	73	0.03	182	0.07	264,235
Total	263,979	73	0.03	182	0.07	264,235

31/07/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	274,006	(68)	0.02	–	–	273,938
Total	274,006	(68)	0.02	–	–	273,938

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.01%

31/07/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	220,065	63	0.03	101	0.05	220,229
Total	220,065	63	0.03	101	0.05	220,229

31/07/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	164,672	(46)	0.03	–	–	164,626
Total	164,672	(46)	0.03	–	–	164,626

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.06% (31 July 2016: 0.18%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 52. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 42 to 49. The distributions per unit class are given in the distribution table on page 40. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	508,081,090	64,162,231
Units issued	11,119,093	1,563,702
Units cancelled	(55,164,317)	(3,088,326)
Units converted	(573,828)	(516,712)
Closing Units	463,462,038	62,120,895

F-Class	Distribution	Accumulation
Opening Units	28,476	152,504
Units issued	8,051	40,470
Units cancelled	(11,734)	(53,239)
Units converted	30,480	–
Closing Units	55,273	139,735

I-Class	Distribution	Accumulation
Opening Units	122,122,682	188,549,367
Units issued	48,149,045	8,962,445
Units cancelled	(17,156,961)	(37,398,240)
Units converted	1,692,244	(551,977)
Closing Units	154,807,010	159,561,595

C-Class	Distribution	Accumulation
Opening Units	52,039,939	18,472,049
Units issued	20,002,282	14,983,690
Units cancelled	(7,772,408)	(1,743,330)
Units converted	(1,151,111)	1,038,971
Closing Units	63,118,702	32,751,380

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Trust because it provides key management personnel services to the Trust. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Trust.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Trust. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Trust plus any rebates paid by the Authorised Fund Manager to the Trust are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Trust, or rebates receivable by the Trust from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 47.45% (50.88% as at 31 July 2016) of the Trust's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per R-Class accumulation unit was 394.38p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 19 September 2017 was 396.00p. This represents an increase of 0.41% from the year end value.

Distribution Table

Distribution Table for the year ended 31 July 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

Final dividend distribution in pence per unit			Period	
			01/08/16	to 31/07/17
R-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	5.3580	–	5.3580	6.5122
Group 2	2.3268	3.0312	5.3580	6.5122
R-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	7.3034	–	7.3034	8.6353
Group 2	4.5643	2.7391	7.3034	8.6353
F-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	6.7914	–	6.7914	7.6831
Group 2	5.6462	1.1452	6.7914	7.6831
F-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	9.4074	–	9.4074	10.3046
Group 2	5.6595	3.7479	9.4074	10.3046
I-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	7.5008	–	7.5008	8.2905
Group 2	4.8482	2.6526	7.5008	8.2905
I-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	10.7723	–	10.7723	11.4908
Group 2	6.8283	3.9440	10.7723	11.4908
C-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	7.5885	–	7.5885	8.3631
Group 2	4.8864	2.7021	7.5885	8.3631
C-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
	Revenue	Equalisation		
Group 1	10.9139	–	10.9139	11.6114
Group 2	5.5618	5.3521	10.9139	11.6114

Trust Information

The Comparative Tables on pages 42 to 49 give the performance of each active share class in the Trust.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Trust's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Trust.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	233.27	224.14	213.12
Return before operating charges*	58.28	17.46	17.41
Operating charges (calculated on average price)	(2.18)	(1.82)	(1.88)
Return after operating charges*	56.10	15.64	15.53
Distributions on income units	(5.36)	(6.51)	(4.51)
Closing net asset value per unit	284.01	233.27	224.14
* after direct transaction costs of:	0.03	0.02	0.02

Performance

Return after charges	24.05%	6.98%	7.29%
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Other Information

Closing net asset value (£)	1,316,298,902	1,185,219,443	1,204,068,034
Closing number of units	463,462,038	508,081,090	537,190,544
Operating charges [†]	0.84%	0.84%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	293.40p	240.10p	244.60p
Lowest unit price	227.30p	195.30p	196.30p

[†] 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. 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.

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.

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	317.95	297.11	276.95
Return before operating charges*	79.40	23.26	22.60
Operating charges (calculated on average price)	(2.97)	(2.42)	(2.44)
Return after operating charges*	76.43	20.84	20.16
Distributions	(7.30)	(8.63)	(5.87)
Retained distributions on accumulation units	7.30	8.63	5.87
Closing net asset value per unit	394.38	317.95	297.11
* after direct transaction costs of:	0.04	0.03	0.03

Performance

Return after charges	24.04%	7.01%	7.28%
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Other Information

Closing net asset value (£)	244,993,003	204,002,320	211,088,878
Closing number of units	62,120,895	64,162,231	71,046,962
Operating charges†	0.84%	0.84%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	399.80p	318.40p	317.80p
Lowest unit price	309.80p	258.90p	255.10p

† 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. 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.

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.

Trust Information continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	233.63	224.48	213.42
Return before operating charges*	58.54	17.65	17.49
Operating charges (calculated on average price)	(0.95)	(0.82)	(0.88)
Return after operating charges*	57.59	16.83	16.61
Distributions on income units	(6.79)	(7.68)	(5.55)
Closing net asset value per unit	284.43	233.63	224.48
* after direct transaction costs of:	0.03	0.02	0.02

Performance

Return after charges	24.65%	7.50%	7.78%
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Other Information

Closing net asset value (£)	157,212	66,529	216,899
Closing number of units	55,273	28,476	96,622
Operating charges†	0.36%	0.38%	0.39%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	295.60p	242.40p	245.90p
Lowest unit price	228.00p	196.40p	197.00p

† 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. 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.

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.

Trust Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	323.65	301.01	279.34
Return before operating charges*	81.04	23.75	22.82
Operating charges (calculated on average price)	(1.30)	(1.11)	(1.15)
Return after operating charges*	79.74	22.64	21.67
Distributions	(9.41)	(10.30)	(7.26)
Retained distributions on accumulation units	9.41	10.30	7.26
Closing net asset value per unit	403.39	323.65	301.01
* after direct transaction costs of:	0.04	0.03	0.03

Performance

Return after charges	24.64%	7.52%	7.76%
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Other Information

Closing net asset value (£)	563,681	493,578	433,550
Closing number of units	139,735	152,504	144,034
Operating charges†	0.36%	0.38%	0.39%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	409.40p	324.60p	321.80p
Lowest unit price	315.90p	263.40p	257.90p

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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.

Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	233.38	224.25	213.21
Return before operating charges*	58.55	17.68	17.47
Operating charges (calculated on average price)	(0.32)	(0.26)	(0.31)
Return after operating charges*	58.23	17.42	17.16
Distributions on income units	(7.50)	(8.29)	(6.12)
Closing net asset value per unit	284.11	233.38	224.25
* after direct transaction costs of:	0.03	0.02	0.02

Performance

Return after charges	24.95%	7.77%	8.05%
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Other Information

Closing net asset value (£)	439,820,201	285,014,292	230,356,985
Closing number of units	154,807,010	122,122,682	102,724,518
Operating charges†	0.12%	0.12%	0.14%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	295.40p	242.40p	246.10p
Lowest unit price	227.80p	196.50p	196.70p

† 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. 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.

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.

Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	335.21	310.97	287.88
Return before operating charges*	84.04	24.60	23.51
Operating charges (calculated on average price)	(0.45)	(0.36)	(0.42)
Return after operating charges*	83.59	24.24	23.09
Distributions	(10.77)	(11.49)	(8.26)
Retained distributions on accumulation units	10.77	11.49	8.26
Closing net asset value per unit	418.80	335.21	310.97
* after direct transaction costs of:	0.05	0.03	0.03

Performance

Return after charges	24.94%	7.79%	8.02%
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Other Information

Closing net asset value (£)	668,249,929	632,027,384	562,628,972
Closing number of units	159,561,595	188,549,367	180,927,393
Operating charges†	0.12%	0.12%	0.14%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	424.30p	336.20p	332.20p
Lowest unit price	327.10p	272.60p	265.50p

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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.

Trust Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	233.34	224.21	213.26
Return before operating charges*	58.54	17.69	17.39
Operating charges (calculated on average price)	(0.24)	(0.20)	(0.25)
Return after operating charges*	58.30	17.49	17.14
Distributions on income units	(7.59)	(8.36)	(6.19)
Closing net asset value per unit	284.05	233.34	224.21
* after direct transaction costs of:	0.03	0.02	0.02

Performance

Return after charges	24.99%	7.80%	8.04%
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Other Information

Closing net asset value (£)	179,290,489	121,429,453	75,687,363
Closing number of units	63,118,702	52,039,939	33,758,050
Operating charges†	0.09%	0.09%	0.11%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	295.90p	242.40p	246.10p
Lowest unit price	227.40p	196.10p	196.90p

† 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. 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.

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.

Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 (pence per unit)
Opening net asset value per unit	335.62	311.26	287.94
Return before operating charges*	84.17	24.63	23.66
Operating charges (calculated on average price)	(0.34)	(0.27)	(0.34)
Return after operating charges*	83.83	24.36	23.32
Distributions	(10.91)	(11.61)	(8.36)
Retained distributions on accumulation units	10.91	11.61	8.36
Closing net asset value per unit	419.45	335.62	311.26
* after direct transaction costs of:	0.05	0.03	0.03

Performance

Return after charges	24.98%	7.83%	8.10%
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Other Information

Closing net asset value (£)	137,375,656	61,995,980	37,478,147
Closing number of units	32,751,380	18,472,049	12,040,764
Operating charges†	0.09%	0.09%	0.11%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	425.60p	336.60p	332.40p
Lowest unit price	327.10p	272.30p	266.00p

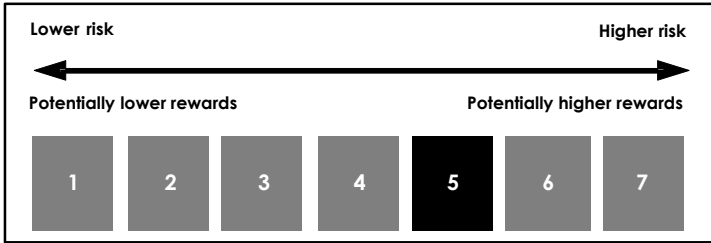
† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Trust and is calculated based on the last period's figures.

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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.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category five because it invests in European company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

Financial Derivative Instruments and Collateral

During the year the Trust made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the Trust. The counterparties to these transactions and any collateral held by the Trust at the balance sheet date is shown below:

Global exposure and collateral

The Trust also holds exchange traded derivatives which have minimal Counterparty Risk exposure.

No collateral was held or delivered at the balance sheet date in the current year.

General Information

Constitution

Launch date:	13 June 1989
Period end date for distribution:	31 July
Distribution date:	30 September
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 C-Class† £100,000,000
Minimum monthly contributions:	R-Class £50 F-Class* £50 I-Class N/A C-Class† N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.84% F-Class* Annual 0.36% I-Class Annual 0.12% C-Class† Annual 0.09%
Initial charges:	R-Class Nil F-Class* Nil I-Class Nil C-Class† Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
 - (ii) authorised intermediaries or 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.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/daily-fund-prices immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at www.legalandgeneral.com. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

General Information continued

ISA Status

This Trust may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

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

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

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 year, the annualised Tracking Error of the Trust is 0.03%, whilst over the last three years to the end of July 2017, the annualised Tracking Error of the Trust is 0.02%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.50% per annum.

General Information continued

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General European Index Trust, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	618

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	2,178	2,535	35

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index Investment team, which consists of 22 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Trust. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

Significant Changes

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the Trust. The initial commission was intended to reflect the costs incurred by the product provider and the intermediary for setting up and selling the business, however, Legal & General no longer consider it appropriate to continue to pay commission on such transactions.

General Information continued

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes (appointed 29 June 2016)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services Limited
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

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

Legal & General Investment Management Limited
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Authorised and regulated by the Financial Conduct Authority

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

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