

Legal & General Pacific Index Trust
**Interim Manager's
Short Report
for the period ended
25 September 2018**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the stock markets of the Pacific region, as represented by the FTSE World Asia Pacific (excluding Japan) Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE World Asia Pacific (excluding Japan) Index will be held with weightings generally proportionate to their company's market capitalisation.

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

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

Risk Profile

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of market movements. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Currency Risk

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

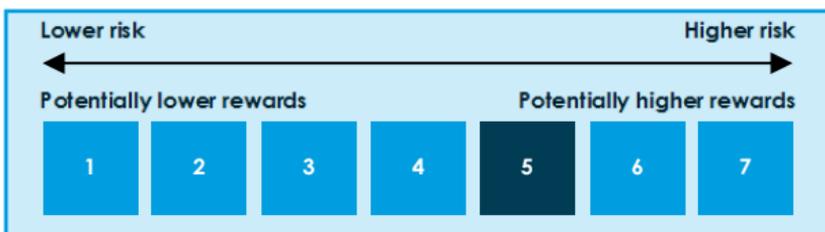
Trust Facts

Period End Dates for Distributions:	25 Mar, 25 Sep	
Distribution Dates:	25 May, 25 Nov	
Ongoing Charges Figures:	25 Sep 18	25 Mar 18
R-Class	0.63%	0.86%
F-Class	0.41%	0.41%
I-Class	0.19%	0.19%
C-Class	0.14%	0.14%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a trust and is calculated based on the last period's figures.

Risk and Reward Profile



- 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 number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which the Index the Trust tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Trust is in category five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- 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.

Distribution Information

R-Class

The distribution payable on 25 November 2018 is 1.8904p per unit for distribution units and 2.7038p per unit for accumulation units.

F-Class

The distribution payable on 25 November 2018 is 2.0439p per unit for distribution units and 2.9943p per unit for accumulation units.

I-Class

The distribution payable on 25 November 2018 is 2.1456p per unit for distribution units and 3.2997p per unit for accumulation units.

C-Class

The distribution payable on 25 November 2018 is 2.1718p per unit for distribution units and 3.3437p per unit for accumulation units.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	237,380,699	218,785,513	108.50
Accumulation Units	141,851,579	89,851,986	157.87
F-Class			
Distribution Units	169,489	155,798	108.79
Accumulation Units	1,059,354	652,631	162.32
I-Class			
Distribution Units	221,678,753	205,298,571	107.98
Accumulation Units	166,712,624	98,728,282	168.86
C-Class			
Distribution Units	106,361,546	98,615,595	107.85
Accumulation Units	49,104,491	29,058,235	168.99

Past performance is not a guide to future performance.

The price of units and any income from them may go down as well as up.

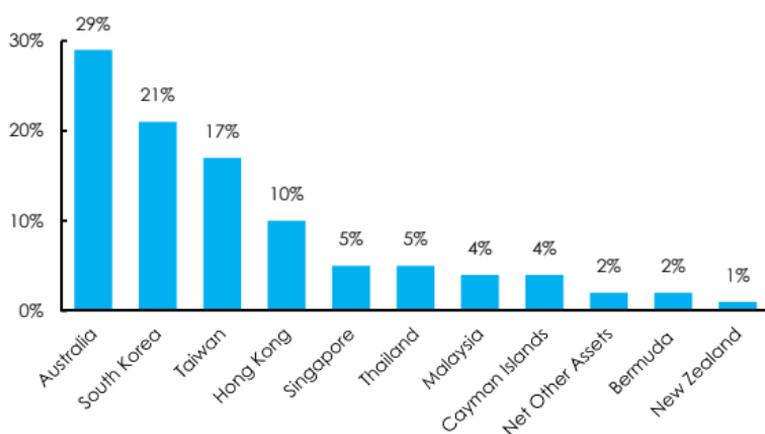
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

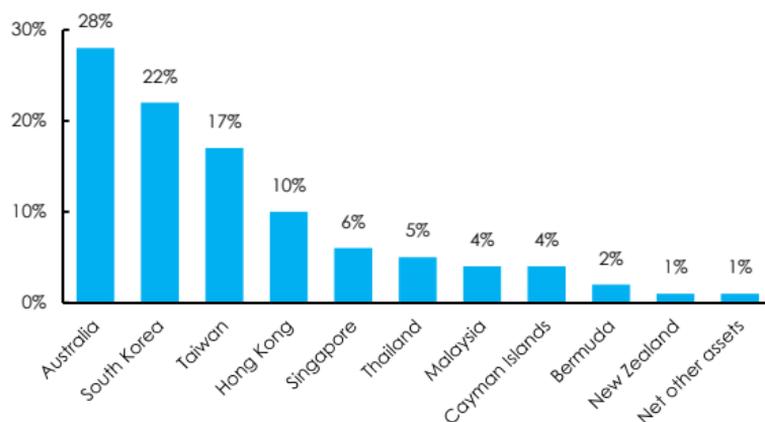
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 25 September 2018		Top 10 Holdings at 25 March 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Taiwan Semiconductor Manufacturing	5.81%	Samsung Electronics	5.90%
Samsung Electronics	5.62%	Taiwan Semiconductor Manufacturing	5.50%
AIA Group	2.91%	AIA Group	2.78%
Commonwealth Bank of Australia	2.54%	Commonwealth Bank of Australia	2.68%
BHP Billiton	2.23%	Westpac Banking	2.06%
Westpac Banking	1.95%	BHP Billiton	1.95%
CSL	1.88%	Australia & New Zealand Banking Group	1.72%
Australia & New Zealand Banking Group	1.67%	National Australia Bank	1.66%
National Australia Bank	1.54%	CSL	1.51%
Wesfarmers	1.14%	Hon Hai Precision Industry	1.27%

Trust Holdings as at 25 September 2018



Trust Holdings as at 25 March 2018



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units increased by 3.76%. 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 period, the Trust returned 2.96% on a capital only basis, matching the FTSE World Asia Pacific ex Japan Index return of 2.96% (source: Bloomberg).

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

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

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Market/Economic Review

Following a volatile start to 2018, Asia-Pacific equities delivered positive returns for Sterling-based investors, outperforming emerging market equities but underperforming relative to global stock markets. Notwithstanding positive corporate earnings and optimism in the world economic outlook, fears that rising trade tensions could trigger a trade war dragged on export-orientated Asia-Pacific companies. Despite a contraction in economic activity during the first quarter, supportive corporate earnings and Yen weakness against the US Dollar helped Japanese equities to produce strong returns in Sterling terms. Australian equities also rallied as domestic demand boosted economic activity. However, Chinese and Korean equities slipped amid trade related concerns.

Trust Review

During the review period there were two quarterly Index rebalances; in June 2018 and September 2018.

The June 2018 quarterly Index review resulted in one addition, Gulf Energy Development (Thailand), and two deletions, Lotte Confectionery (South Korea) and Brightoil Petroleum (Hong Kong). There were 167 changes to the free share capital of constituents with the largest increases being Lotte (South Korea) and Westpac Banking (Australia) and the largest decreases being Malayan Banking (Malaysia) and Samsung Electronics (South Korea).

Manager's Investment Report continued

The September 2018 Semi-annual Index review resulted in 11 additions and eight deletions. The largest additions were Yageo (Taiwan) and The a2 Milk (New Zealand). The two largest deletions were Sky Network Television (New Zealand) and Hopewell Highway Infrastructure (Hong Kong). There were 31 changes to the free share capital of constituents with the largest increases being Malayan Banking (Malaysia) and Taiwan Cement (Taiwan) and the largest decreases being Hyundai Motor and Hyundai Motor 2nd Pfd (both South Korea).

Outside the reviews, there was some notable Merger & Acquisition (M&A) activity in Australia and Taiwan. In April, Advanced Semiconductor Engineering acquired the remaining shares of Siliconware Precision Industries (both Taiwan) and formed a new resulting company, ASE Industrial Holding (Taiwan). This deal was worth approximately US\$3.3 billion. In June, Westfield Group (Australia) was deleted from the Index after being acquired by Unibail-Rodamco SE (Netherlands) in a deal worth \$21.8 billion. As a result of this deal a new company was formed, Unibail-Rodamco-Westfield (Netherlands), which was not eligible for the Index as it was listed in the Netherlands.

At the end of the period, the Trust had holdings spread across 8 countries, with Australia accounting for 29.6%, South Korea 21.3%, Taiwan 17.8% and the other countries accounting for 31.2%. The three largest stocks in the Index were Taiwan Semiconductor Manufacturing (5.9%), Samsung Electronics (5.7%) and AIA Group (3.0%).

Outlook

We expect the recent strong economic growth to continue for the time being. However, there are a number of indicators which suggest that the global economy is moving towards the latter stages of the economic cycle; unemployment is low, inflation is starting to rise, the yield curve is flattening and credit spreads are moving wider.

From our perspective, there are three key risks of which to be mindful: that inflation could rise faster than expected, a further strengthened US Dollar which would squeeze other nations and trade wars. On the latter, the existing set of tariffs on steel, aluminium and solar panels are relatively small. However, it is the significant escalation that could cause wider issues. Escalation increases the risk of a more negative financial market reaction and damage to business and consumer confidence. While tariffs on steel and aluminium are less visible to consumers, widespread tariffs will hit high-profile consumer goods such as electronics and clothing. If a full-scale trade war becomes a reality, we see it as inflationary and negative for US, Chinese and global growth. However, this scenario is not part of our base case outlook and we see the current rhetoric from Trump as part of his usual negotiating position to reach a more stable and agreeable outcome.

Manager's Investment Report continued

The Trust is well positioned to capture the region's market performance.

Legal & General Investment Management Limited

(Investment Adviser)

22 October 2018

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Trust is 0.33%, whilst the annualised Tracking Error of the Trust over the last 3 years to the end of September 2018 is 0.15%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/- 0.5% per annum.

Minimum Investment Amounts

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

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

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

F-Class units are only available to:

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

C-Class units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the period under review and how it is invested at the period end. Further information on the activities and performance of the Trust can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

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

Significant Changes

Change in Fund Management Fee (FMF)

With effect from 1 June 2018, the FMF for the R share class was reduced from 0.86% to 0.57%.

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Trust and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Trust is operated.

General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Pacific Index Trust, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMprivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

Northern Trust Global Services SE

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square,

London E14 5GL

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Financial Conduct Authority**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
PAI1118

