

Legal & General
Global Health and Pharmaceuticals
Index Trust

**Annual Manager's
Short Report
for the year ended
7 January 2019**



Investment Objective and Policy

The objective of the Trust is to secure capital growth from a portfolio of securities representing companies engaged in Health, Pharmaceuticals and Biotechnology.

Securities representing all such companies in the FTSE World Index will be held with weightings generally proportionate to their 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

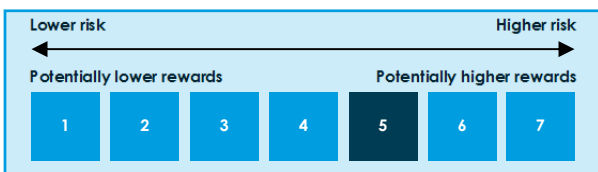
Period End Date for Distribution:		7 January
Distribution Date:		7 March
Ongoing Charges Figures:	7 Jan 19	7 Jan 18
R-Class*	0.79%	1.03%
F-Class	0.45%	0.45%
I-Class	0.31%	0.31%

* See Significant Changes on page 15.

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 indicator 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 7 March 2019 is 0.6077p per unit for distribution units and 0.6847p per unit for accumulation units.

F-Class

The distribution payable on 7 March 2019 is 0.8274p per unit for distribution units and 0.9634p per unit for accumulation units.

I-Class

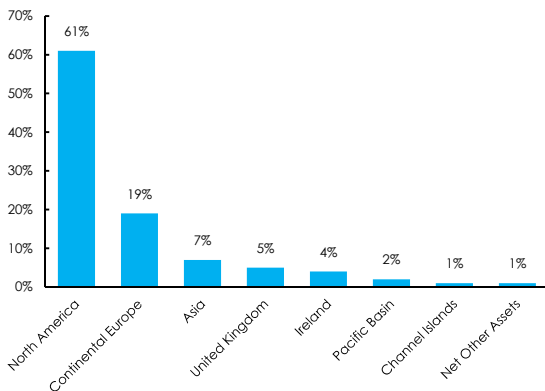
The distribution payable on 7 March 2019 is 0.9154p per unit for distribution units and 1.1310p per unit for accumulation units.

Portfolio Information

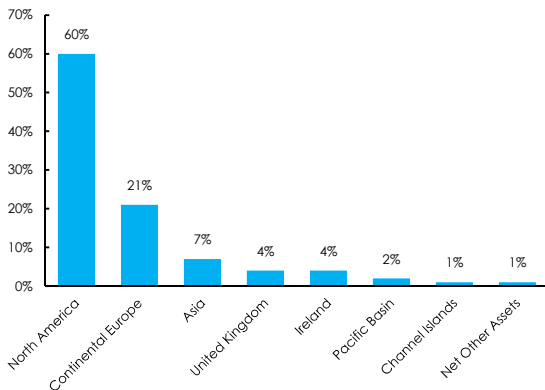
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 7 January 2019		Top 10 Holdings at 7 January 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Johnson & Johnson	7.24%	Johnson & Johnson	7.93%
Pfizer	5.28%	UnitedHealth Group	4.57%
UnitedHealth Group	4.85%	Pfizer	4.56%
Merck & Company	4.26%	Novartis	4.01%
Novartis	3.92%	Roche (Part Certified)	3.79%
Roche (Part Certified)	3.74%	AbbVie	3.31%
AbbVie	2.88%	Merck & Company	3.28%
Amgen	2.68%	Amgen	2.76%
Medtronic	2.52%	Medtronic	2.39%
Abbott Laboratories	2.49%	Bayer	2.27%

Trust Holdings as at 7 January 2019



Trust Holdings as at 7 January 2018



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	59.37	54.86	47.30
Return before operating charges*	4.26	5.53	8.48
Operating charges (calculated on average price)	(0.49)	(0.60)	(0.59)
Return after operating charges*	3.77	4.93	7.89
Distributions on income units	(0.61)	(0.42)	(0.33)
Closing net asset value per unit	62.53	59.37	54.86
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.35%	8.99%	16.68%
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Other Information

Closing net asset value (£)	7,047,948	6,945,908	6,607,055
Closing number of units	11,271,770	11,699,403	12,043,433
Operating charges†	0.79%	1.03%	1.15%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	68.68p	61.17p	56.97p
Lowest unit price	54.13p	52.68p	43.31p

† 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.

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.

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	66.89	61.37	52.60
Return before operating charges*	4.79	6.19	9.42
Operating charges (calculated on average price)	(0.55)	(0.67)	(0.65)
Return after operating charges*	4.24	5.52	8.77
Distributions	(0.68)	(0.47)	(0.37)
Retained distributions on accumulation units	0.68	0.47	0.37
Closing net asset value per unit	71.13	66.89	61.37
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.34%	8.99%	16.67%
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Other Information

Closing net asset value (£)	113,151,571	107,678,286	100,139,971
Closing number of units	159,079,777	160,986,359	163,161,625
Operating charges†	0.79%	1.03%	1.15%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	77.38p	68.43p	63.36p
Lowest unit price	60.98p	58.94p	48.16p

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	59.54	55.02	47.45
Return before operating charges*	4.27	5.55	8.52
Operating charges (calculated on average price)	(0.29)	(0.26)	(0.23)
Return after operating charges*	3.98	5.29	8.29
Distributions on income units	(0.83)	(0.77)	(0.72)
Closing net asset value per unit	62.69	59.54	55.02
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.68%	9.61%	17.47%
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Other Information

Closing net asset value (£)	181,105	724	669
Closing number of units	288,893	1,216	1,216
Operating charges†	0.45%	0.45%	0.45%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	69.09p	61.49p	57.40p
Lowest unit price	54.32p	52.83p	43.45p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	69.35	63.25	53.83
Return before operating charges*	4.98	6.40	9.68
Operating charges (calculated on average price)	(0.33)	(0.30)	(0.26)
Return after operating charges*	4.65	6.10	9.42
Distributions	(0.96)	(0.89)	(0.82)
Retained distributions on accumulation units	0.96	0.89	0.82
Closing net asset value per unit	74.00	69.35	63.25
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.71%	9.64%	17.50%
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Other Information

Closing net asset value (£)	281,854	202,122	147,862
Closing number of units	380,902	291,464	233,776
Operating charges†	0.45%	0.45%	0.45%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	80.48p	70.75p	65.18p
Lowest unit price	63.29p	60.76p	49.32p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	59.45	54.92	47.35
Return before operating charges*	4.27	5.56	8.53
Operating charges (calculated on average price)	(0.19)	(0.18)	(0.16)
Return after operating charges*	4.08	5.38	8.37
Distributions on income units	(0.92)	(0.85)	(0.80)
Closing net asset value per unit	62.61	59.45	54.92
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.86%	9.80%	17.68%
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Other Information

Closing net asset value (£)	180,029,808	172,640,075	34,249,394
Closing number of units	287,526,114	290,378,958	62,357,826
Operating charges [†]	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	69.09p	61.48p	57.40p
Lowest unit price	54.28p	52.77p	43.39p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/19 (pence per unit)	07/01/18 (pence per unit)	07/01/17 (pence per unit)
Opening net asset value per unit	73.46	66.91	56.86
Return before operating charges*	5.28	6.77	10.24
Operating charges (calculated on average price)	(0.24)	(0.22)	(0.19)
Return after operating charges*	5.04	6.55	10.05
Distributions	(1.13)	(1.04)	(0.96)
Retained distributions on accumulation units	1.13	1.04	0.96
Closing net asset value per unit	78.50	73.46	66.91
* after direct transaction costs of:	0.01	0.02	0.01

Performance

Return after charges	6.86%	9.79%	17.68%
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Other Information

Closing net asset value (£)	152,206,100	147,799,919	126,714,211
Closing number of units	193,896,640	201,188,412	189,384,223
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest unit price	85.37p	74.89p	68.93p
Lowest unit price	67.07p	64.28p	52.10p

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 5.57%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 3pm. Therefore, for tracking purposes the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review year, the Trust rose by 5.06%, on a capital only basis compared with the FTSE World Health and Pharmaceutical Index rise of 4.99%(Source: Rimes), producing a tracking difference of +0.07%.

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Market/Economic Review

International equities fell sharply during December 2018, and recorded their worst year since the global financial crisis. A combination of factors ensured the year ended on a disappointing note. Concerns that the Federal Reserve was raising US interest rates too quickly, the risk of a prolonged federal government shutdown in the US, the ongoing US-China trade dispute and weaker global economic indicators all combined to trigger widespread risk aversion amongst investors. In contrast with previous months, the US underperformed international indices with energy stocks and technology amongst the weakest sectors. The oil price fell back to a 15-month low in mid-December 2018, driven by concerns over a supply glut, as shale production in the US continues to grow rapidly, while OPEC producers appear unwilling to cut production. In the IT sector, microchip maker Nvidia's struggle continued in December 2018, with the shares halving in value over the final quarter of 2018, while concerns over a slowdown in iPhone sales drove Apple shares lower. Weaker economic indicators in Europe and Japan added to investors' concerns in these markets, with official data highlighting the Japanese economy recorded its steepest contraction since the second quarter of 2014, during the three months to September. However, both Asia Pacific excluding Japan and emerging markets proved relatively resilient with losses much smaller than those recorded in developed markets.

Manager's Investment Report continued

After largely following the moves in broader global equities over the first half of 2018, the healthcare sector subsequently outperformed global equities by a substantial margin. Impressive earnings updates, boosted by the success of new products that offset worries over generic competition, lifted valuations. The sector's defensive earnings characteristics also supported returns during a volatile fourth quarter. Encouraging trading updates, particularly over the second half of 2018, boosted pharmaceuticals such as Merck, Eli Lilly, Abbott Laboratories and Pfizer. However, personal care products giant Johnson & Johnson lost ground amid safety-related allegations related to its Baby Powder talcum powder dating back several decades.

Trust Review

At the end of the year under review, there were 93 companies in the FTSE World Index classified as Pharmaceuticals and Biotechnology, and a further 77 companies classified under the Health Care Equipment and Services sector. These sub sectors account for approximately 69% and 31% of the portfolio respectively.

The top 10 holdings in the portfolio are shown below. These represent approximately 40% of the Trust by market value and consist of the 10 largest Pharmaceutical companies in the world.

Johnson & Johnson (US)

Pfizer (US)

UnitedHealth Group (US)

Merck & Company (US)

Novartis (Switzerland)

Roche (Part Certified) (Switzerland)

AbbVie (US)

Amgen (US)

Medtronic (Ireland)

Abbott Laboratories (US)

The March quarterly Index review resulted in six additions of which Alnylam Pharmaceuticals and Teleflex (Both US) were the biggest. There were two deletions of which Patterson (US) was the biggest. There were a further 17 changes to the free share capital of constituents with the largest increase being Aspen Pharmacare (US) and the largest decrease being Novartis (Switzerland). Two-way Index turnover was 1.54%.

The June quarterly Index review resulted in no additions and two deletions: Getinge B and Arjo B (Both Sweden). There were 114 changes to the free share capital of constituents with the largest increase being Bayer (Germany) and the largest decrease being Amgen (US). Two-way Index turnover was 1.32%.

Manager's Investment Report continued

The September quarterly Index review resulted in 12 additions and two deletions, the largest being Hoya (Japan) and Waters Corp (US), respectively. There were 17 changes to the free share capital of constituents with the largest increases being Anthem (US), SillaJen (South Korea) and Terumo (Japan) and the largest decreases being AbbVie, Amgen and Merck & Company (All US). Two-way Index turnover was 3.82%.

The December quarterly Index review resulted in two additions and two deletions, the largest being Notre Dame Intermedica Participacoes (Brazil) and Express Scripts (US), respectively. There were 20 changes to the free share capital of constituents with the largest increases being Takeda Pharmaceutical, Cigna and Essilor International and the largest decreases being Merck & Company, Cardinal Health and Amgen (All US). Two-way Index turnover was 4.68%.

Outlook

Two countervailing forces have kept markets in a holding pattern recently: global economy and company earnings growth, and the ascent of populist economic policies. Trade wars continue to occupy markets' attention and although there has yet to be any major fall-out, our economists do anticipate some damage to growth over the next year, and have slightly revised down our economic growth (GDP) forecasts for both, US and China. The Federal Reserve has continued to raise US interest rates, likely to lead to a stronger Dollar over time.

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

Legal & General Investment Management Limited
(Investment Adviser)
22 January 2019

Manager's Report and Accounts

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

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

Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Trust is 0.08%, whilst over the last three years to the end of December 2018, the annualised Tracking Error of the Trust is 0.07%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.75% per annum.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Trust.

Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager.

The revenue generated from this activity is calculated on a monthly basis and returned to the Trust in the form of a payment from the Manager. This provides an enhanced return to the Trust, though the size of any return will be dependent on the size of subscriptions and redemptions.

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

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

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.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year 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 R-Class units have been reduced from 0.95% to 0.69%.

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 Global Health and Pharmaceuticals 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

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square,

London E14 5GL

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Financial Conduct Authority**

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