

Legal & General UK Mid Cap Index Fund
**Final Manager's
Short Report**
for the period ended
31 October 2017

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Fund is to track the capital performance of the UK equity market, as represented by the FTSE 250 excluding Investment Trusts Index.

The Fund will invest primarily in the equities that make up the constituents of the FTSE 250 excluding Investment Trusts Index. Securities in the FTSE 250 excluding Investment Trusts Index will be held with weightings generally proportionate to their company's market capitalisation.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes. The Fund may hold derivatives for the purposes of efficient portfolio management.

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

Risk Profile

Market Risk

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

Fund Facts

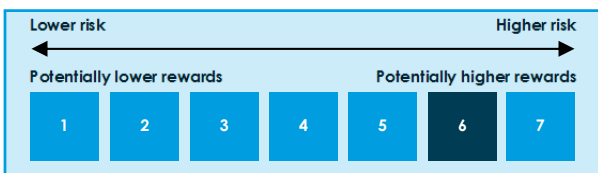
Period End Dates for Distributions:	30 April, 31 October
Distribution Dates:	30 June, 31 December
Ongoing Charges Figures:	31 Oct 17*
I-Class	0.14%
C-Class	0.08%
L-Class	0.04%

* There are no comparative figures shown as the Fund launched 18 January 2017.

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

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund.

Risk and Reward Profile



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

Distribution Information

I-Class

The distribution payable on 31 December 2017 is 0.8453p per unit for distribution units and 0.8526p per unit for accumulation units.

C-Class

The distribution payable on 31 December 2017 is 0.8612p per unit for distribution units and 0.8679p per unit for accumulation units.

L-Class

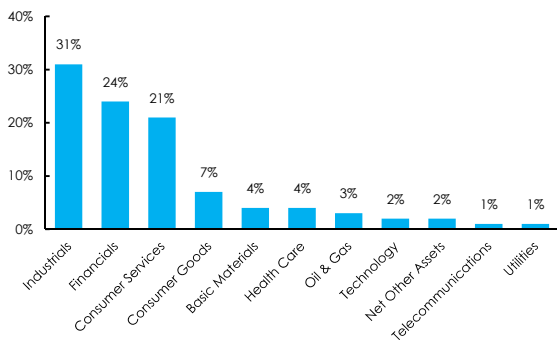
The distribution payable on 31 December 2017 is 0.8727p per unit for distribution units.

Portfolio Information

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

Top 10 Holdings at 31 October 2017*	
Holding	Percentage of Net Asset Value
DS Smith	1.43%
John Wood Group	1.36%
Halma	1.29%
Bellway	1.29%
Weir Group	1.26%
Just Eat	1.26%
Melrose Industries	1.21%
Spirax-Sarco Engineering	1.19%
Meggitt	1.15%
Hiscox	1.13%

Fund Holdings as at 31 October 2017*



* There are no comparative figures shown as the Fund launched 18 January 2017.

Comparative Tables

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting period ending	18/01/17 to 31/10/17 (pence per unit)**
Opening net asset value per unit	50.00
Return before operating charges*	6.56
Operating charges (calculated on average price)	(0.06)
Return after operating charges*	6.50
Distributions on income units	(1.30)
Closing net asset value per unit	55.20
* after direct transaction costs of:	0.32

Performance

Return after charges	13.00%
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Other Information

Closing net asset value (£)	1,573,534
Closing number of units	2,850,382
Operating charges†	0.14%
Direct transaction costs	0.58%

Prices

Highest unit price	56.76p
Lowest unit price	49.82p

** There are no comparative figures shown as the Fund launched 18 January 2017.

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

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.

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting period ending	18/01/17 to 31/10/17 (pence per unit)**
Opening net asset value per unit	50.00
Return before operating charges*	6.60
Operating charges (calculated on average price)	(0.06)
Return after operating charges*	6.54
Distributions	(1.31)
Retained distributions on accumulation units	1.31
Closing net asset value per unit	56.54
* after direct transaction costs of:	0.32

Performance

Return after charges	13.08%
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Other Information

Closing net asset value (£)	7,600,773
Closing number of units	13,443,706
Operating charges†	0.14%
Direct transaction costs	0.58%

Prices

Highest unit price	57.24p
Lowest unit price	49.82p

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Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting period ending	18/01/17 to 31/10/17 (pence per unit)**
Opening net asset value per unit	50.00
Return before operating charges*	6.56
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	6.53
Distributions on income units	(1.32)
Closing net asset value per unit	55.21
* after direct transaction costs of:	0.32

Performance

Return after charges	13.06%
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Other Information

Closing net asset value (£)	1,492,260
Closing number of units	2,702,697
Operating charges†	0.08%
Direct transaction costs	0.58%

Prices

Highest unit price	56.77p
Lowest unit price	49.82p

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Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting period ending	18/01/17 to 31/10/17 (pence per unit)**
Opening net asset value per unit	50.00
Return before operating charges*	6.58
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	6.55
Distributions	(1.33)
Retained distributions on accumulation units	1.33
Closing net asset value per unit	56.55
* after direct transaction costs of:	0.32

Performance

Return after charges	13.10%
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Other Information

Closing net asset value (£)	115,303
Closing number of units	203,878
Operating charges†	0.08%
Direct transaction costs	0.58%

Prices

Highest unit price	57.35p
Lowest unit price	49.82p

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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.

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting period ending	18/01/17 to 31/10/17 (pence per unit)**
Opening net asset value per unit	50.00
Return before operating charges*	6.57
Operating charges (calculated on average price)	(0.02)
Return after operating charges*	6.55
Distributions on income units	(1.34)
Closing net asset value per unit	55.21
* after direct transaction costs of:	0.31

Performance

Return after charges	13.10%
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Other Information

Closing net asset value (£)	155,559,534
Closing number of units	281,754,869
Operating charges†	0.04%
Direct transaction costs	0.58%

Prices

Highest unit price	56.78p
Lowest unit price	49.82p

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

Manager's Investment Report

During the period under review, the price of the Fund's I-Class distribution units rose by 12.82%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes, the Fund has been revalued using closing prices. On this basis, over the review period, the Fund rose by 10.17% on a capital only basis compared with the Index rise of 10.68% (source: Bloomberg), producing a tracking difference of -0.51%.

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.

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Market/Economic Review

In the aftermath of the UK vote to leave the European Union in the June 2016 referendum, Sterling fell to a 31-year low against the US Dollar. For UK investors, the weakness of Sterling enhanced returns from international equities. During the period under review, UK equities continued to advance as UK economy had weathered the post-referendum volatility well and the UK economic indicators remained broadly positive. In this stable environment the Conservatives aimed to take advantage of their healthy opinion poll lead over Labour and grow their majority to make a success of Brexit by announcing a snap general election. However, Sterling weakened against the Euro during May 2017 on the back of a narrowing in the polls, which showed Labour making significant ground against the Conservatives leading the market to doubt the probability of a more substantial Conservative majority in the June election, which ended up being the case. European markets pushed higher as investors saw the pro-EU economic reformer Emmanuel Macron succeed in his bid for the French presidency in May. Inflation has been steadily increasing since the EU referendum pushing up to 3.0% in September 2017. However, at the time the weakness in wage growth intensified the debate whether the Bank of England should hike or leave interest rates unchanged.

As a result, domestically focused FTSE 250 Index (+10.46%) outperformed the more globally focused FTSE 100 Index (+3.39%) but underperformed the tail end of the FTSE All-Share, the FTSE SmallCap Index (+11.40%) (source: Rimes).

Manager's Investment Report continued

Over the review period, major sectors such as Health Care Equipment & Services (+46.99%), Software & Computer Services (+45.37%) and Industrial Metals & Mining (+42.73%) showed the largest positive returns; whilst the most underperforming sectors were Electricity (-26.22%), Oil & Gas Producers (-25.12%) and Oil Equipment, Services & Distribution (-21.26%).

Fund Review

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

There were three Index rebalances during the period under review. At the quarterly Index review in March 2017, there were four additions to the Index. Integrated services provider Capita and telecommunications retailer Dixons Carphone were demoted from FTSE 100 Index. Fund administration, reporting and fiduciary services provider Sanne Group and commercial vehicle rental company Northgate were promoted from the FTSE Small Cap Index. There were four deletions from the Index as integrated facilities management company Rentokil Initial was promoted to the FTSE 100 Index and unsecured cash loans provider International Personal Finance, retailer N Brown Group and financial derivatives dealer CMC Markets were demoted to the FTSE Small Cap Index. There were 31 changes to the free share capital of constituents with the largest increases being retirement homebuilder McCarthy & Stone, startup manager Allied Minds and media and consultancy services provider Ascential and the largest decreases being SVG Capital, real estate company Shaftesbury and global provider of alternative investment products and solutions Man Group.

At the annual Index review in June 2017, there were seven additions and seven deletions. The largest addition was investment company Melrose Industries. The stocks demoted from the FTSE 100 Index were shopping center manager Intu Properties and healthcare company Hikma Pharmaceuticals. The largest deletions were property investment company Segro and security company G4S who were promoted to the FTSE 100 Index. There were 182 changes to the free share capital of constituents with the largest increases being gambling stock Ladbrokes Coral Group and retailer B&M European Value Retail and the largest decreases being human resource specialist Hays and copper company KAZ Minerals.

At the quarterly Index review in September 2017, there were four additions and five deletions. The largest additions were postal services provider Royal Mail and personal credit provider Provident Financial, that were demoted from the FTSE 100 Index. The largest deletions included property developer Berkeley Group and health care company NMC Health, that were promoted to the FTSE 100 Index. There were 21 changes to the free share capital of

Manager's Investment Report continued

constituents with the largest increases being NewRiver REIT and electronic systems manufacturer Ultra Electronics and the largest decreases were corrugated packaging services provider DS Smith and retailer Sports Direct International.

There was a significant mergers and acquisitions activity during the review period. Henderson Group completed all stock merger with Janus Capital Group and was subsequently assigned US nationality. All stock deals included Standard Life acquisition of Aberdeen Asset Management, Amec Foster Wheeler acquisition by John Wood Group, Kennedy Wilson (US) acquisition of the residual stake in Kennedy Wilson Europe Real Estate. Elis SA (France) acquired Berendsen PLC for £2.5 billion in exchange for stock and cash. All cash deals included Shawbrook Group takeover by Marlin Bidco and Atkins (WS) acquisition by SNC-Lavalin Group. Stobart Group, Equiniti Group, N Brown Group and Renewi were promoted from Small Cap Index as a result of the above merger activity. Jimmy Choo was promoted from Small Cap Index and subsequently deleted after being acquired by Michael Kors in all cash deal.

Outside Index reviews, the free float was increased as a result of secondary placings for Ferrexpo, OneSavings Bank, Countryside Properties, Wizz Air, Playtech and Istock. Index weight increased as a result of primary placings for LondonMetric Property, Tritax Big Box REIT, DS Smith and Metro Bank. Companies raising capital via rights issues included: RPC Group, Cobham, Tullow Oil and Equiniti Group. Other notable corporate activities included voluntary liquidation and deletion of SVG Capital.

At the end of the review period, the Fund had holdings in all of the 203 companies in the Index. The three largest stocks in the Fund at the end of the review period were DS Smith (1.43%), John Wood Group (1.36%) and Halma (1.29%).

Outlook

Prime Minister Theresa May triggered Article 50 allowing the two-year window for official negotiations on Brexit to start. A 'hard Brexit' would imply giving up full access to the single market, with Britain having full control over its borders, making new trade deals and applying laws within its own territory. In our view, such a scenario could be negative for Sterling, but we only attribute a relatively low probability to this outcome.

Given Brexit uncertainties most market participants anticipated Bank of England to keep rates on hold for a long time, but following the latest stronger inflation data the Monetary Policy Committee adopted a more hawkish tilt indicating that some withdrawal of monetary stimulus was likely to be appropriate over the coming months. Lower trend growth and a weaker pound mean that if Bank of England doesn't hike rates, inflation could remain

Manager's Investment Report continued

above target. But if it raises rates too fast, the economy could be hurt should downside risks materialise. As a result, the Bank of England increased interest rates by 0.25% to 0.50% on 2 November. The last time the UK saw a rate hike was in July 2007.

The Bank of England was also keen to stress that inflation would not return to target unless interest rates were hiked further. They broadly agree with market expectations of another couple of hikes in the next three years. This is consistent with our own expectation of slow rate hikes. Subsequently, signs that the Brexit negotiations are yielding little progress and a further round of subdued UK economic data reinforced the suggestion that businesses and individuals are likely to adopt a more cautious approach.

Given this backdrop of uncertainty, the Fund remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
23 November 2017

Manager's Report and Accounts

A Copy of the Annual Long Form Manager's Report is available free of charge by telephoning 0370 050 0955, by writing to the Manager or is available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Information on Tracking Error

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

Using monthly returns, over the review period since launch on 18 January 2017, the annualised Tracking Error of the Fund is 0.07%. This Tracking Error is within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Minimum Investment Amounts

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

I-Class	£1,000,000
C-Class	£100,000,000
L-Class	£100,000

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.

L-Class is not available to retail customers and is intended only for investment by Legal & General group companies.

Other Information

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

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

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Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

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