

Legal & General (N) Tracker Trust
**Annual Manager's
Short Report**
for the year ended
30 September 2017

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

L&G (N) Tracker Trust aims to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share 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.

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 holds investments 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.

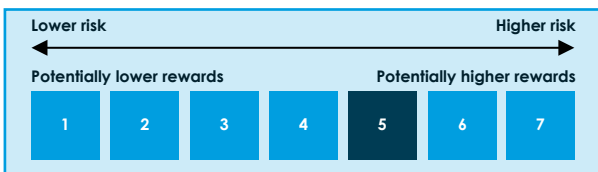
Trust Facts

Period End Dates for Distributions:	31 Mar, 30 Sep	
Distribution Dates:	31 May, 30 Nov	
Ongoing Charges Figures:	30 Sep 17	30 Sep 16
A-Class Units	1.05%	1.15%
F-Class Units	0.35%	0.35%
I-Class Units	0.10%	0.10%
C-Class Units	0.06%	0.06%
CTF-Class Units	1.50%	1.50%

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 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 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.

Distribution Information

A-Class

The distribution payable on 30 November 2017 is 3.3322p per unit for accumulation units.

F-Class

The distribution payable on 30 November 2017 is 4.1101p per unit for accumulation units.

I-Class

The distribution payable on 30 November 2017 is 3.7933p per unit for distribution units and 4.4329p per unit for accumulation units.

C-Class

The distribution payable on 30 November 2017 is 1.1588p per unit for distribution units and 1.2773p per unit for accumulation units.

CTF-Class

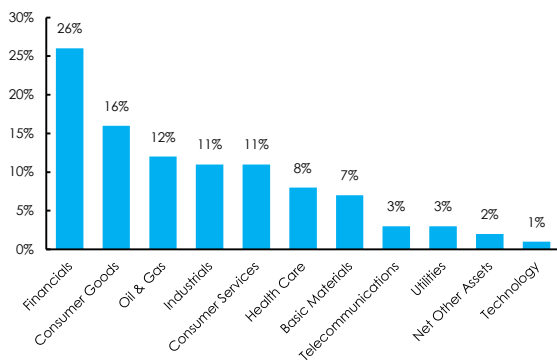
The distribution payable on 30 November 2017 is 2.6209p per unit for accumulation units.

Portfolio Information

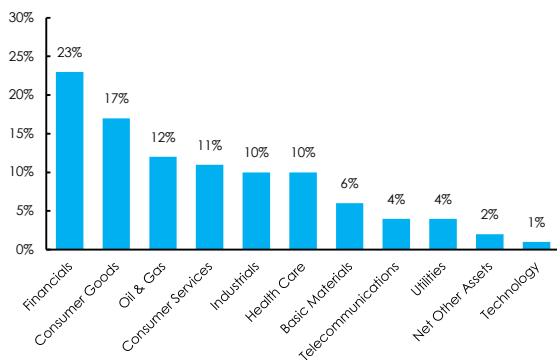
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 30 September 2017		Top 10 Holdings at 30 September 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC	6.08%	HSBC	5.03%
British American Tobacco	4.26%	British American Tobacco	4.11%
Royal Dutch Shell 'A'	4.21%	BP	3.75%
BP	3.78%	GlaxoSmithKline	3.55%
Royal Dutch Shell 'B'	3.56%	Royal Dutch Shell 'A'	3.52%
GlaxoSmithKline	2.99%	Royal Dutch Shell 'B'	3.50%
AstraZeneca	2.55%	AstraZeneca	2.80%
Diageo	2.53%	Vodafone Group	2.61%
Vodafone Group	2.27%	Diageo	2.49%
Unilever	2.13%	Reckitt Benckiser	2.04%

Trust Holdings as at 30 September 2017



Trust Holdings as at 30 September 2016



Comparative Tables

A-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	188.51	163.99	170.50
Return before operating charges*	23.67	26.50	(4.50)
Operating charges (calculated on average price)	(2.12)	(1.98)	(2.01)
Return after operating charges*	21.55	24.52	(6.51)
Distributions	(5.62)	(4.76)	(4.28)
Retained distributions on accumulation units	5.62	4.76	4.28
Closing net asset value per unit	210.06	188.51	163.99
* after direct transaction costs of:	0.04	0.05	0.03

Performance

Return after charges	11.43%	14.95%	(3.82)%
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Other Information

Closing net asset value (£)	886,104,043	883,165,036	848,530,459
Closing number of units	421,832,403	468,486,722	517,432,582
Operating charges†	1.05%	1.15%	1.15%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	213.00p	190.60p	187.30p
Lowest unit price	184.50p	151.00p	157.30p

† 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.

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

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	194.36	167.77	173.12
Return before operating charges*	24.58	27.21	(4.73)
Operating charges (calculated on average price)	(0.72)	(0.62)	(0.62)
Return after operating charges*	23.86	26.59	(5.35)
Distributions	(7.27)	(6.36)	(5.78)
Retained distributions on accumulation units	7.27	6.36	5.78
Closing net asset value per unit	218.22	194.36	167.77
* after direct transaction costs of:	0.04	0.05	0.04

Performance

Return after charges	12.28%	15.85%	(3.09)%
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Other Information

Closing net asset value (£)	515	1,345	1,161
Closing number of units	236	692	692
Operating charges†	0.35%	0.35%	0.35%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	220.70p	196.50p	191.10p
Lowest unit price	190.40p	154.90p	159.70p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	170.97	152.73	162.92
Return before operating charges*	21.46	24.55	(4.22)
Operating charges (calculated on average price)	(0.18)	(0.16)	(0.18)
Return after operating charges*	21.28	24.39	(4.40)
Distributions on income units	(6.80)	(6.15)	(5.79)
Closing net asset value per unit	185.45	170.97	152.73
* after direct transaction costs of:	0.03	0.04	0.03

Performance

Return after charges	12.45%	15.97%	(2.70)%
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Other Information

Closing net asset value (£)	165,459,391	121,758,429	91,675,241
Closing number of units	89,221,907	71,214,979	60,024,599
Operating charges†	0.10%	0.10%	0.11%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	191.40p	176.20p	177.50p
Lowest unit price	167.50p	141.20p	150.40p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	196.60	169.21	174.16
Return before operating charges*	24.79	27.57	(4.75)
Operating charges (calculated on average price)	(0.21)	(0.18)	(0.20)
Return after operating charges*	24.58	27.39	(4.95)
Distributions	(7.89)	(6.88)	(6.24)
Retained distributions on accumulation units	7.89	6.88	6.24
Closing net asset value per unit	221.18	196.60	169.21
* after direct transaction costs of:	0.04	0.05	0.04

Performance

Return after charges	12.50%	16.19%	(2.84)%
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Other Information

Closing net asset value (£)	77,280,526	72,878,690	46,257,074
Closing number of units	34,939,517	37,069,950	27,336,964
Operating charges†	0.10%	0.10%	0.11%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	223.70p	198.70p	192.60p
Lowest unit price	192.60p	156.40p	160.70p

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Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	51.71	46.19	49.27
Return before operating charges*	6.50	7.43	(1.27)
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.04)
Return after operating charges*	6.47	7.40	(1.31)
Distributions on income units	(2.08)	(1.88)	(1.77)
Closing net asset value per unit	56.10	51.71	46.19
* after direct transaction costs of:	0.01	0.01	0.01

Performance

Return after charges	12.51%	16.02%	(2.66)%
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Other Information

Closing net asset value (£)	1,114,585	627,939	444,042
Closing number of units	1,986,902	1,214,331	961,267
Operating charges†	0.06%	0.06%	0.07%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	57.89p	53.30p	53.67p
Lowest unit price	50.66p	42.69p	45.47p

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Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	56.07	48.25	49.63
Return before operating charges*	7.08	7.85	(1.34)
Operating charges (calculated on average price)	(0.04)	(0.03)	(0.04)
Return after operating charges*	7.04	7.82	(1.38)
Distributions	(2.28)	(1.98)	(1.80)
Retained distributions on accumulation units	2.28	1.98	1.80
Closing net asset value per unit	63.11	56.07	48.25
* after direct transaction costs of:	0.01	0.01	0.01

Performance

Return after charges	12.56%	16.21%	(2.78)%
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Other Information

Closing net asset value (£)	166,174,800	114,900,244	64,473,454
Closing number of units	263,315,212	204,922,400	133,636,733
Operating charges†	0.06%	0.06%	0.07%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	63.81p	56.66p	54.91p
Lowest unit price	54.93p	44.58p	45.79p

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Comparative Tables continued

CTF-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	30/09/17 (pence per unit)	30/09/16 (pence per unit)	30/09/15 (pence per unit)
Opening net asset value per unit	179.96	157.09	163.90
Return before operating charges*	22.57	25.34	(4.29)
Operating charges (calculated on average price)	(2.89)	(2.47)	(2.52)
Return after operating charges*	19.68	22.87	(6.81)
Distributions	(4.48)	(3.97)	(3.51)
Retained distributions on accumulation units	4.48	3.97	3.51
Closing net asset value per unit	199.64	179.96	157.09
* after direct transaction costs of:	0.03	0.04	0.03

Performance

Return after charges	10.94%	14.56%	(4.15)%
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Other Information

Closing net asset value (£)	442,458,452	391,659,347	337,279,748
Closing number of units	221,631,741	217,632,631	214,698,532
Operating charges†	1.50%	1.50%	1.50%
Direct transaction costs	0.02%	0.03%	0.02%

Prices

Highest unit price	202.90p	181.90p	179.70p
Lowest unit price	176.10p	144.40p	151.20p

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Manager's Investment Report

During the year under review, the bid price of the Trust's A-Class accumulation units rose by 11.45%. 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. On this basis, over the review year from the close of business on 30 September 2016 to the close of business on 29 September 2017 (the last working day of the current accounting period), the Trust rose 7.89% on a capital only basis compared with the FTSE All-Share Index rise of 7.84% (Source: Bloomberg), producing a tracking difference of +0.05%.

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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 year under review, UK equities continued to advance as economic indicators suggested the 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 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 2017. Inflation has been steadily increasing since the EU referendum, pushing up to 3.0% in September. However, the weakness in wage growth intensified the debate over how long the Bank of England may leave interest rates at the record low of 0.25%.

Manager's Investment Report continued

As a result, domestically focused FTSE Mid 250 Index (+11.21%) outperformed the more globally focused FTSE 100 Index (+6.86%). During the review year we also saw strong performance from the tail end of the FTSE All-Share Index universe, with the FTSE SmallCap Index (+14.83%) performing well (Source: Bloomberg).

Over the review year, major sectors such as Industrial Metals & Mining (+132.83%), Leisure Goods (+56.00%) and Mining (+29.54%) showed the largest positive returns; whilst the most underperforming sectors were Fixed Line Telecommunications (-25.40%), Technology Hardware & Equipment (-22.99%) and Oil Equipment, Services & Distribution (-17.98%).

Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the benchmark Index. Hence investment activity, other than to raise or invest cash, is only necessary when there are changes in the issued share capital or free float of the constituent companies, or to the constituents of the Index.

There were four Index rebalances during the year under review. At the quarterly Index review in December 2016, there were seven additions to the FTSE All-Share universe: ConvaTec Group, NewRiver REIT, TBC Bank Group, GCP Student Living, Biffa, Hollywood Bowl Group and Luceco. There were no deletions from the FTSE All-Share universe. The largest weight increases were for HSBC, Royal Dutch Shell 'A' and Playtech and the largest weight decreases for PZ Cussons, WPP and Shaftesbury.

At the quarterly Index review in March 2017, there were two additions to the FTSE All-Share universe: Civitas Social Housing and SQN Asset Finance Income Fund 'C' shares. There were no deletions from the FTSE All-Share universe. The largest weight increases were for Lloyds Banking Group and Royal Dutch Shell 'A', with the largest decreases for Alliance Trust, Experian and SVG Capital.

At the annual Index review in June 2017, there were 20 additions and five deletions. The largest additions were Melrose Industries and Pershing Square Holdings, whereas the largest deletions were Braemar Shipping Services and Flybe Group. The largest weight increases were for Lloyds Banking Group, Ladbroke's Coral Group and ConvaTec Group, with the largest weight decreases for Anglo American, GlaxoSmithKline and Diageo.

The September 2017 quarterly Index review resulted in six additions: Purecircle, 888 Holdings, Sirius Real Estate, Apax Global Alpha, Alfa Financial Software Holdings and DP Eurasia. Exillon Energy was the only deletion.

Mergers and acquisitions occurring outside of the reviews included SABMiller all cash acquisition by Anheuser-Busch InBev (Belgium) for \$103bn, E2v technologies all cash acquisition by Teledyne

Manager's Investment Report continued

Technologies for £619.56m, Lavendon Group £607m cash acquisition by Loxam SAS and Exova Group £749m cash acquisition by Element Material Technology Group. In addition, Standard Life PLC acquired Aberdeen Asset Management PLC in exchange for stock, Elis SA (France) acquired Berendsen PLC for £2.5bn in exchange for stock and cash and British American Tobacco acquired Reynolds American Inc. (US) for cash and stock in a deal worth £58.7bn and subsequently increased its weight in the FTSE All Share Index by 0.94%. Following a £6.8bn takeover of Hewlett Packard's Software business, Micro Focus increased its weight in the Index.

Outside of the Index Reviews, the free float weightings were increased as a result of secondary placings for Worldpay Group, Ferrexpo, DFS Furniture, Countryside Properties, Forterra, The Gym Group, On The Beach Group, Convatec Group, Ibstock and Hastings Group. Companies raising capital via rights issues included RPC Group, Laird, Cobham, Segro and Tullow Oil. Other notable corporate activities included voluntary liquidation and deletion of SVG Capital and DW Catalyst Fund.

At the end of the review year the Trust had holdings in all of the 641 companies in the Index. The three largest stocks in the Trust at the end of the review year were Royal Dutch Shell (7.8%), HSBC (6.1%) and British American Tobacco (4.4%).

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 that the Bank of England would 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.

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

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

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 0.02%, whilst over the last three years to the end of October 2017, the annualised Tracking Error of the Trust is 0.01%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/- 0.50% per annum.

Minimum Investment Amounts

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

A-Class	£20
F-Class	£20
I-Class	£1,000,000
C-Class	£100,000,000
CTF-Class	£1

Regular monthly investments are available to those Unitholders who have a regular savings plan with the Manager. With the exception of the CTF-Class Accumulation units, the minimum regular monthly purchase of units in a unit trust is £20. With respect to CTF-Class Accumulation units, the minimum regular monthly payment is £1.

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.

The L&G (N) Tracker Trust CTF-Class units shall only be available to investors where the beneficial owner of the units is an eligible child within the definition of the requirements of the Child Trust Fund Act 2004.

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 Change

Change of FMF for A-Class

With effect from 6 June 2017, the Fund Management Fee (FMF) has been reduced from 1.15% to 0.85%.

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 Limited

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

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

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