

Legal & General Japan Index Trust

**Interim Manager's
Short Report
for the period ended
24 April 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the Japanese equity market, as represented by the FTSE Japan Index, by investment in a representative sample of stocks selected from all economic sectors. Securities in the FTSE Japan 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.

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.

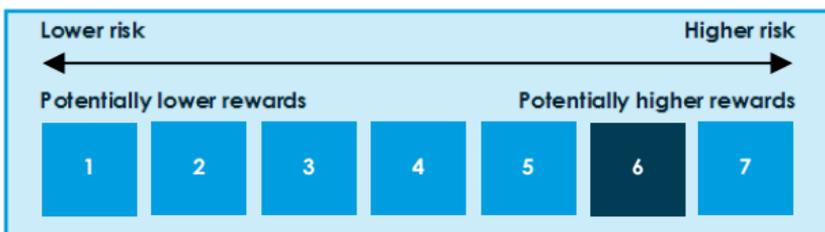
Trust Facts

Period End Date for Distribution:		24 Oct
Distribution Date:		24 Dec
Ongoing Charges Figures:	24 Apr 17	24 Oct 16
R-Class	0.83%	0.83%
I-Class	0.15%	0.15%
F-Class	0.37%	0.37%
C-Class	0.10%	0.10%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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 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 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

The policy is to distribute, on an annual basis, all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. This being the case, there is no interim distribution.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	465,528,278	943,749,802	49.33
Accumulation Units	56,102,873	101,986,951	55.01
I-Class			
Distribution Units	239,802,450	484,886,061	49.46
Accumulation Units	368,763,061	632,373,182	58.31
F-Class			
Distribution Units	2,758	5,567	49.54
Accumulation Units	219,491	390,336	56.23
C-Class			
Distribution Units	70,705,403	142,980,081	49.45
Accumulation Units	31,494,025	53,941,449	58.39

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.

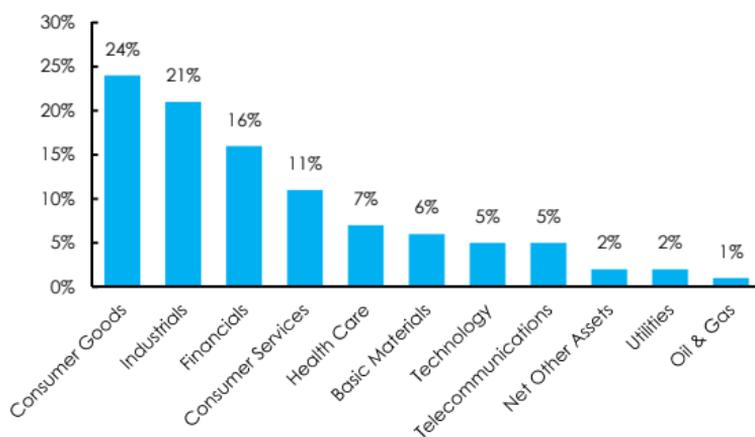
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

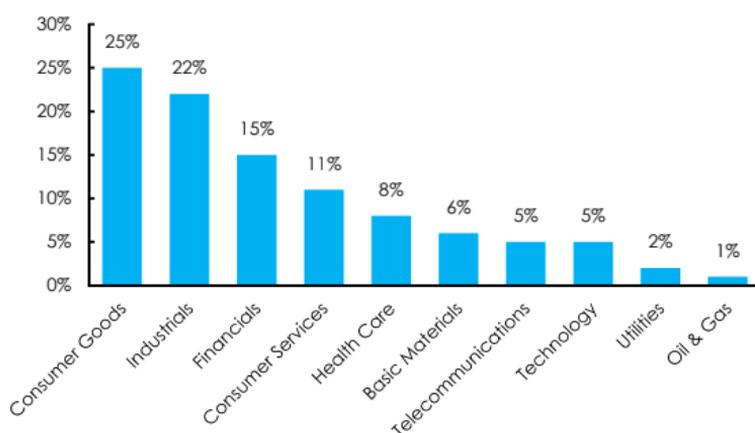
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 24 April 2017		Top 10 Holdings at 24 October 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Toyota Motor	4.30%	Toyota Motor	4.83%
Mitsubishi UFJ Financial Group	2.48%	Mitsubishi UFJ Financial Group	2.10%
SoftBank	1.88%	KDDI Corp	1.70%
Honda Motor	1.52%	SoftBank	1.67%
KDDI Corp	1.46%	Honda Motor	1.64%
Sumitomo Mitsui Financial Group	1.41%	Japan Tobacco	1.38%
Mizuho Financial Group	1.34%	Sumitomo Mitsui Financial Group	1.35%
Sony	1.25%	Mizuho Financial Group	1.26%
Japan Tobacco	1.20%	Sony	1.24%
Fanuc	1.19%	Fanuc	1.13%

Trust Holdings as at 24 April 2017



Trust Holdings as at 24 October 2016



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 1.71%. 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 fell by 0.49% on a capital only basis, compared with the FTSE Japan Index fall of 0.47% on a Sterling adjusted, capital only basis (Source: Bloomberg), producing a tracking difference of -0.02%.

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

Equity markets have made significant gains over the review period (in local currency terms), reflecting a steady improvement in global economic indicators and growing optimism amongst investors for prospects in 2017. In the autumn, the US presidential election was the focus of attention and Donald Trump's unexpected victory led investors to discount the prospect of fiscal stimulus in the form of increased infrastructure spending and tax cuts. Following the US election, the Dollar rebounded sharply against the Yen, which provided 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.

Over the review period, the Yen weakened, depreciating 10.3% against Sterling erasing the market gains for the Sterling investor.

The best performing sectors over the review period were Life Insurance (+10.42%), Banks (+8.95%) and Forestry & Paper (+6.35%); the worst performing sectors were General Industrials (-18.08%), Tobacco (-12.59%) and Food & Drug Retailers (-10.49%).

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.

Manager's Investment Report continued

The quarterly Index review in December 2016 resulted in no additions and no deletions. There were 44 changes to the free share capital of constituents with the largest increases being AEON Financial Service, LINE and PeptiDream, and the largest decreases being Fujifilm Holdings, Nomura Holdings and Kao. The two-way Index turnover was 0.33%.

At the FTSE Japan annual Index review in March 2017, there were three additions to the Index, these were Mebuki Financial Group, Moringa and Hitachi Kokusai Electric. There were no deletions. There were 64 changes to the free share capital of constituents, with the largest increases being Mizuho Financial Group, Minebea and Temp Holdings, and the largest decreases being Mitsubishi Corp, Olympus and Mitsubishi Heavy Industries. The two-way Index turnover was 1.03%.

Outside the Index reviews, there were several Index changes due to initial public offering (IPO) and merger and acquisition (M&A) activities. Kyushu Railway was added to the Index following its IPO which raised \$4 billion. Additionally, in March 2017, TonenGeneral Sekiyu was removed from the Index after being acquired by JX Holdings. It was then renamed as JXTG with an increased Index weight. Coca-Cola East Japan was removed from the Index after being merged with Coca-Cola West Japan through a share swap. At the time of announcement, this was Coca-Cola West Japan's largest acquisition on record. It was then renamed as Coca-Cola Bottlers Japan with an increased Index weight.

Outlook

Japanese stocks underperformed smaller Asia Pacific markets during March, with investors adopting a cautious approach as the Yen strengthened against the Dollar after the deflation trade that boosted the US currency faltered. The Trump presidency raises the spectre of increased protectionism which could further damage already weak productivity growth. There is also increased concern about the direction of US foreign policy.

With overstimulation and accelerating Fed hikes, markets could be well on their way to anticipating the next recession by year end. It is equally likely that the market's current focus on 'Good Trump' underprices the risk that he follows through on his anti-trade and anti-immigration campaign slogans. We would also not discount the risk of ill-advised comments causing a few geo-political risks over the course of 2017.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)

11 May 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 period, the annualised Tracking Error of the Trust is 0.05%, whilst over the last three years to the end of April 2017, the annualised Tracking Error of the Trust is also 0.05%. 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:

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

In addition, monthly contributions can be made into the R-Class 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 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.

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

Removal of Initial Commission

With effect from 6 June 2017, we will no longer pay initial commission on this 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.

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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