

Legal & General Japan Index Trust

**Annual Manager's Report
for the year ended
24 October 2017**

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DAY
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* These collectively comprise the Authorised Fund Manager's Report.

Manager's Investment Report

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.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 8.15%. 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 year, the Trust rose by 8.74% on a capital only basis, compared with the FTSE Japan Index increase of 8.81% (Source: Bloomberg), producing a tracking difference of -0.07%.

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 recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. In recent months, there has been marked decline in equity market volatility, while markets have also been underpinned by companies buying back their own shares. Since the turn of the calendar year, however, there has been a cooling of the so-called reflation trade that dominated equity markets when commodity-related and financial services sectors performed relatively well. Instead, investors have favoured technology stocks with earnings from a number of leading US companies exceeding expectations. Energy stocks have underperformed as OPEC's move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. European markets have also been a focal point for merger and acquisition activity, reflecting an increasingly positive corporate earnings outlook. Emerging markets outperformed the World Index as investors became less concerned about the risk of protectionist US trade policies, while returns have also been enhanced by the broad-based rally in local currencies since the beginning of 2017.

Japan was the best performing major market in local currency terms during September.

Manager's Investment Report continued

Investors reacted favourably to Prime Minister Shinzo Abe's surprise decision to dissolve parliament and call an early general election. The leading sectors were energy, financials and industrials while both utilities and telecommunications underperformed the broader market. Amongst financials, shares in leading banks Mitsubishi UFJ Financial, Mizuho Financial and Sumitomo Mitsui Financial rebounded. All three banks are expanding overseas as negative interest rates have eroded profitability in domestic markets. Several industrial stocks were boosted by the weakness of the Yen, including Fanuc – a global supplier of factory automation products capitalising on rapid growth in the robotics market.

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.

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, LINE and PeptiDream and the largest decreases being Fujifilm, Nomura and Kao. The two-way Index turnover was 0.3%.

At the semi-annual Index review in March 2017, there were three additions to the Index, with the largest being Mebuki Financial, and no deletions. There were 64 changes to the free share capital of constituents, with the largest increases being Mizuho Financial, MINEBEA MITSUMI and Temp and the largest decreases being Mitsubishi, Olympus and Mitsubishi Heavy Industries. The two-way Index turnover was 1.0%.

The quarterly Index review in June 2017 resulted in no additions and no deletions. There were 376 changes to the free share capital of constituents with the largest increases being NTT, Recruit and Japan Airlines and the largest decreases being Toyota Motor and Mitsubishi UFJ Financial. The two-way Index turnover was 1.88%.

At the semi-annual Index review in September 2017, there were eleven additions to the Index, with the largest being Renesas Electronics, Mitsui Mining & Smelting and Ulvac; one deletion being Cookpad. There were 30 changes to the free share capital of constituents. The two-way Index turnover was 1.24%.

Outside the review, during the third quarter of 2017, Japan Post increased its float from 10% to 30% following a sale from the Japan Ministry of Finance. The total size being offered on the secondary market was £8.4 billion. In September 2016, Mitsubishi announced a tender offer on Lawson, increasing its stake from 33.4% to 50% in a deal worth £1.5 billion. The event was implemented in the Index on February 2017. In July 2017, Idemitsu Kosan undertook a secondary offering worth £738 million. In October 2017, Sumco announced an additional equity offering worth £188 million.

Outlook

There don't appear to be any big macroeconomic policy shifts at present. The Bank of Japan is on auto pilot and Kuroda is likely to serve a second term, as Abe remains in office. If or when the market begins searching for higher yields, then further small changes to monetary policy may be required. This would require core inflation to be persistently above 1% and on a rising trend. This is unlikely to occur for probably the next year. Most felt the Bank of Japan was out of ammunition, leaving fiscal policy as the only option to boost demand, but there is no appetite to use fiscal policy in today's stable environment beyond smoothing the fading of last year's supplementary budget.

Manager's Investment Report continued

The big hope remains that US reflation takes hold which will keep the Bank of Japan buying Japanese government bonds and the Yen relatively weak. Equally, there were no concerns expressed with the Yen at current levels.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited

(Investment Adviser)

15 November 2017

Authorised Status

Authorised Status

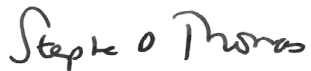
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
14 December 2017

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Manager of the Trust is required by the FCA Collective Investment Schemes sourcebook (COLL) to prepare financial statements for each accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the Scheme property for the accounting period, and the financial position of the Trust at the end of that period. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Trust will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Trust in accordance with the Trust Deed, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Japan Index Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General Japan Index Trust ("the Trust") for the year ended 24 October 2017

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

Northern Trust Global Services Limited
UK Trustee and Depositary Services
14 December 2017

Portfolio Statement

Portfolio Statement as at 24 October 2017

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 24 October 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	JAPAN — 98.82% (99.48%)		
	Oil & Gas Producers		
	— 0.89% (0.84%)		
26,465	Cosmo Energy	454,958	0.03
65,024	Idemitsu Kosan	1,353,361	0.11
400,700	Inpex	3,190,267	0.25
13,555	Japan Petroleum Exploration	209,603	0.02
1,403,814	JXTG	5,424,982	0.42
89,523	Showa Shell Sekiyu	770,985	0.06
		11,404,156	0.89
	Chemicals — 4.98% (4.57%)		
66,978	Air Water	956,608	0.08
554,000	Asahi Kasei	5,083,415	0.40
132,480	Daicel	1,249,640	0.10
38,114	Denka	943,296	0.07
35,474	DIC	986,805	0.08
45,821	Hitachi Chemical	935,344	0.07
81,538	JSR	1,167,824	0.09
129,518	Kaneka	794,019	0.06
85,725	Kansai Paint	1,620,091	0.13
155,264	Kuraray	2,295,228	0.18
574,860	Mitsubishi Chemical	4,500,185	0.35
83,100	Mitsubishi Gas Chemical	1,515,046	0.12
80,940	Mitsui Chemicals	1,849,316	0.15
46,648	Nagase & Company	602,765	0.05
73,604	Nippon Kayaku	890,194	0.07
69,314	Nippon Paint	1,847,238	0.14
14,300	Nippon Shokubai	800,356	0.06
62,048	Nissan Chemical Industries	1,717,755	0.13
67,750	Nitto Denko	4,519,543	0.35
24,000	NOF	532,339	0.04
179,626	Shin-Etsu Chemical	13,558,417	1.06
56,797	Showa Denko	1,386,729	0.11
669,000	Sumitomo Chemical	3,364,982	0.26
62,400	Taiyo Nippon Sanso	568,202	0.05
76,668	Teijin	1,202,408	0.09
667,565	Toray Industries	4,936,447	0.39
124,647	Tosoh	2,141,968	0.17
46,776	UBE Industries	1,053,132	0.08
65,000	Zeon	635,671	0.05
		63,654,963	4.98
	Forestry & Paper — 0.17% (0.17%)		
43,372	Nippon Paper Industries	635,660	0.05
379,000	Oji	1,567,531	0.12
		2,203,191	0.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Industrial Metals & Mining		
	— 1.42% (1.28%)		
14,993	Daido Steel	691,099	0.05
19,301	Dowa	599,343	0.05
83,800	Hitachi Metals	912,884	0.07
228,326	JFE	3,640,311	0.29
137,086	Kobe Steel	800,178	0.06
27,773	Maruichi Steel Tube	625,291	0.05
19,700	Mitsui Mining & Smelting	743,820	0.06
345,094	Nippon Steel & Sumitomo Metal	6,390,607	0.50
21,628	Nisshin Steel	232,577	0.02
106,500	Sumitomo Metal Mining	3,081,941	0.24
19,127	Yamato Kogyo	387,887	0.03
		18,105,938	1.42
	Construction & Materials		
	— 2.91% (2.67%)		
19,694	Aica Kogyo	511,713	0.04
85,181	Asahi Glass	2,474,663	0.19
50,400	COMSYS	930,304	0.07
117,300	Daikin Industries	9,601,251	0.75
125,100	Haseko	1,331,077	0.10
411,825	Kajima	3,206,039	0.25
42,847	Kandenko	335,849	0.03
56,400	Kinden	728,023	0.06
117,621	Lixil Group	2,424,536	0.19
24,000	Maeda	215,497	0.02
25,000	Maeda Road Construction	404,924	0.03
23,000	Nippo	356,727	0.03
301,086	Obayashi	2,904,317	0.23
86,200	Sanwa	775,144	0.06
252,910	Shimizu	2,208,467	0.17
174,249	Sumitomo Osaka Cement	602,123	0.05
54,210	Taiheiyo Cement	1,632,760	0.13
94,200	Taisei	3,902,364	0.30
98,949	Toda	584,171	0.05
64,085	Toto	2,118,289	0.16
		37,248,238	2.91
	General Industrials — 1.01% (1.14%)		
10,900	FP	431,915	0.03
56,003	IHI	1,481,296	0.12
23,700	LINTEC	479,045	0.04
53,600	Mitsubishi Materials	1,501,756	0.12
94,030	Rengo	437,204	0.03
547,200	Sojitz	1,219,208	0.09
1,680,000	Toshiba	3,709,561	0.29
72,500	Toyo Seikan Group	980,824	0.08
97,743	Toyota Tsusho	2,644,002	0.21
		12,884,811	1.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Electronic & Electrical Equipment		
	— 6.89% (6.09%)		
82,739	Alps Electric	1,768,982	0.14
30,262	Azbil	986,160	0.08
272,658	Fuji Electric	1,240,475	0.10
123,900	Fujikura	767,843	0.06
27,000	Furukawa Electric	1,181,552	0.09
57,540	Hamamatsu Photonics	1,385,678	0.11
14,064	Hirose Electric	1,567,727	0.12
2,037,713	Hitachi	11,750,139	0.92
16,900	Horiba	753,093	0.06
165,431	Hoya	7,159,999	0.56
46,212	Ibiden	601,755	0.05
19,000	Japan Aviation Electronics Industry	230,680	0.02
159,000	Japan Display	252,441	0.02
39,688	Keyence	16,377,754	1.28
137,300	Kyocera	6,858,381	0.53
23,496	Mabuchi Motor	902,821	0.07
181,301	Minebea Mitsumi	2,389,859	0.19
83,981	Murata Manufacturing	9,792,818	0.76
117,240	NGK Insulators	1,729,218	0.13
103,716	Nidec	10,253,667	0.80
37,642	Nippon Electric Glass	1,136,257	0.09
86,669	Omron	3,682,887	0.29
46,330	Taiyo Yuden	560,641	0.04
53,400	TDK	2,849,814	0.22
48,271	Ushio	509,422	0.04
107,305	Yokogawa Electric	1,502,511	0.12
		88,192,574	6.89
	Industrial Engineering		
	— 6.82% (6.43%)		
146,596	Amada	1,291,844	0.10
66,451	Chiyoda	285,035	0.02
40,293	Daifuku	1,446,096	0.11
12,200	Disco	2,023,234	0.16
52,706	DMG Mori Seiki	771,404	0.06
46,400	Ebara	1,239,669	0.10
85,705	Fanuc	14,510,521	1.14
120,790	Hino Motors	1,167,574	0.09
49,500	Hitachi Construction Machinery	1,234,986	0.10
23,014	Hoshizaki	1,630,429	0.13
241,085	Isuzu Motors	2,600,551	0.20
26,780	Japan Steel Works	506,822	0.04
96,259	JGC	1,204,646	0.09
64,122	Kawasaki Heavy Industries	1,661,828	0.13
403,000	Komatsu	9,613,638	0.75
492,668	Kubota	6,926,394	0.54
50,451	Kurita Water Industries	1,137,553	0.09
18,679	Kyudenko	555,743	0.04
120,888	Misumi	2,387,849	0.19

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Industrial Engineering — (cont.)			
872,431	Mitsubishi Electric	11,337,186	0.89
126,400	Mitsubishi Heavy Industries	3,873,676	0.30
34,000	Mitsui Engineering & Shipbuilding	330,010	0.03
42,600	Miura	749,669	0.06
51,833	Nabtesco	1,505,843	0.12
197,000	NTN	666,284	0.05
12,560	Okuma	555,523	0.04
31,000	OSG	507,069	0.04
117,981	Shimadzu	1,832,231	0.14
25,549	SMC	7,032,154	0.55
49,680	Sumitomo Heavy Industries	1,564,260	0.12
46,000	Tadano	424,083	0.03
51,028	THK	1,370,123	0.11
14,100	Ulvac	705,449	0.06
97,900	Yaskawa Electric	2,609,064	0.20
		87,258,440	6.82
Industrial Transportation — 0.85% (0.91%)			
12,447	Fukuyama Transporting	308,887	0.02
19,500	Hitachi Transport System	369,305	0.03
21,100	Japan Airport Terminal	572,878	0.04
49,508	Kamigumi	853,731	0.07
37,026	Kawasaki Kisen Kaisha	743,462	0.06
28,793	Mitsubishi Logistics	560,659	0.04
50,259	Mitsui O.S.K. Lines	1,126,518	0.09
32,767	Nippon Express	1,597,882	0.13
71,661	Nippon Yusen	1,117,666	0.09
14,200	Sankyu	443,322	0.03
64,452	Seino	703,404	0.06
161,785	Yamato	2,443,430	0.19
		10,841,144	0.85
Support Services — 4.39% (4.28%)			
8,900	ASKUL	186,425	0.01
24,730	GLORY	706,079	0.05
7,100	GMO Payment Gateway	378,908	0.03
623,965	Itochu	8,120,873	0.63
691,500	Marubeni	3,537,661	0.28
568,385	Mitsubishi	10,061,134	0.79
741,054	Mitsui	8,408,904	0.66
24,200	Monotaro	497,223	0.04
75,700	Persol	1,378,617	0.11
528,691	Recruit	9,663,573	0.76
85,033	Secom	4,864,149	0.38
30,055	Sohgo Security Services	1,084,674	0.08
491,896	Sumitomo	5,406,098	0.42
15,590	Toppa Forms	131,767	0.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Support Services — (cont.)		
229,377	Toppan Printing	1,793,340	0.14
		<hr/>	<hr/>
		56,219,425	4.39
	Automobiles & Parts — 11.49% (12.49%)		
78,380	Aisin Seiki	3,236,541	0.25
276,243	Bridgestone	10,091,133	0.79
215,691	Denso	8,444,644	0.66
12,350	EXEDY	282,171	0.02
170,468	GS Yuasa	678,895	0.05
786,076	Honda Motor	18,311,503	1.43
98,381	JTEKT	1,126,195	0.09
50,600	Koito Manufacturing	2,555,240	0.20
252,641	Mazda Motor	2,739,530	0.21
277,270	Mitsubishi Motors	1,710,921	0.13
84,736	NGK Spark Plug	1,423,906	0.11
71,074	NHK Spring	611,152	0.05
18,600	Nifco	882,201	0.07
848,625	Nissan Motor	6,184,755	0.48
30,200	Nissan Shatai	251,223	0.02
52,000	NOK	958,103	0.08
201,000	NSK	2,111,844	0.17
65,697	Stanley Electric	1,807,818	0.14
269,524	Subaru	7,262,005	0.57
330,400	Sumitomo Electric Industries	4,196,548	0.33
79,437	Sumitomo Rubber Industries	1,131,903	0.09
180,700	Suzuki Motor	7,314,573	0.57
23,990	Tokai Rika	383,124	0.03
41,800	Toyo Tire & Rubber	731,687	0.06
34,914	Toyoda Gosei	674,735	0.05
25,897	Toyota Boshoku	432,237	0.03
70,282	Toyota Industries	3,291,292	0.26
1,154,368	Toyota Motor	54,112,732	4.23
24,000	TS Tech	639,607	0.05
121,832	Yamaha Motor	2,686,075	0.21
45,750	Yokohama Rubber	773,057	0.06
		<hr/>	<hr/>
		147,037,350	11.49
	Beverages — 1.45% (1.35%)		
168,681	Asahi Group	5,724,178	0.45
52,375	Coca-Cola Bottlers Japan	1,369,605	0.11
25,700	Ito En	672,912	0.05
34,500	Kagome	864,200	0.07
368,073	Kirin	6,776,856	0.53
28,267	Sapporo	660,926	0.05
55,500	Suntory Beverage & Food	1,940,035	0.15
76,035	Takara	542,221	0.04
		<hr/>	<hr/>
		18,550,933	1.45
	Food Producers — 2.03% (2.26%)		
223,829	Ajinomoto	3,464,840	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Food Producers — (cont.)		
7,800	Ariake Japan	454,249	0.04
34,000	Calbee	942,400	0.07
21,818	Ezaki Glico	914,029	0.07
20,700	Fuji Oil	421,168	0.03
32,194	House Foods	720,531	0.06
56,894	Itoham Yonekyu	409,518	0.03
49,671	Kewpie	936,729	0.07
77,326	Kikkoman	1,962,752	0.15
18,600	Megmilk Snow Brand	405,118	0.03
59,600	MEIJI	3,685,626	0.29
6,100	Mitsubishi Shokuhin	137,948	0.01
17,800	Morinaga & Co	763,513	0.06
89,320	NH Foods	1,981,187	0.16
46,819	Nichirei	940,099	0.07
115,840	Nissin Seifun	1,576,427	0.12
30,038	Nissin Foods	1,436,731	0.11
40,314	Toyo Suisan Kaisha	1,208,845	0.10
45,311	Yakult Honsha	2,792,935	0.22
56,932	Yamazaki Baking	816,165	0.07
		25,970,810	2.03
	Household Goods & Home Construction — 1.57% (1.57%)		
285,482	Daiwa House Industry	7,897,652	0.62
24,400	Fujitsu General	370,953	0.03
106,700	Makita	3,238,628	0.25
11,178	Pilot	422,052	0.03
16,551	Rinnai	1,085,333	0.09
27,398	Sanrio	342,876	0.03
158,001	Sekisui Chemical	2,445,305	0.19
257,400	Sekisui House	3,508,879	0.27
60,350	Sumitomo Forestry	761,297	0.06
		20,072,975	1.57
	Leisure Goods — 4.56% (4.19%)		
85,700	Bandai Namco	2,298,223	0.18
93,510	Casio Computer	1,069,812	0.08
16,400	Colopl	134,566	0.01
20,900	Daiichikoshu	736,148	0.06
145,800	GungHo Online Entertainment	299,567	0.02
41,700	Konami	1,502,156	0.12
89,900	Nexon	1,764,361	0.14
152,600	Nikon	2,093,987	0.16
47,491	Nintendo	13,971,246	1.09
941,346	Panasonic	10,559,209	0.83
89,100	Sega Sammy	979,535	0.08
63,196	Sharp	1,496,591	0.12
34,455	Shimano	3,484,470	0.27
556,927	Sony	15,893,673	1.24

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Leisure Goods — (cont.)		
72,728	Yamaha	2,108,029	0.16
		58,391,573	4.56
	Personal Goods — 2.15% (2.14%)		
10,850	ABC-Mart	414,010	0.03
77,800	Asics	929,005	0.07
129,047	Citizen Watch	712,793	0.06
212,736	Kao	10,091,527	0.79
12,600	Kose	1,175,908	0.09
111,825	Lion	1,609,068	0.13
62,095	Nisshinbo	563,768	0.04
12,750	Paltac	392,525	0.03
47,000	Pigeon	1,254,132	0.10
32,700	Pola Orbis	803,842	0.06
171,600	Shiseido	5,484,394	0.43
38,800	Toyobo	550,534	0.04
168,118	Unicharm	2,951,228	0.23
27,183	Wacoal	610,182	0.05
		27,542,916	2.15
	Tobacco — 1.07% (1.38%)		
527,400	Japan Tobacco	13,664,841	1.07
	Health Care Equipment & Services — 1.07% (1.27%)		
22,500	Asahi Intecc	933,594	0.07
32,200	Nihon Kohden	562,785	0.04
50,757	Nipro	563,423	0.04
124,300	Olympus	3,412,135	0.27
63,988	Sysmex	3,295,346	0.26
134,470	Terumo	4,225,047	0.33
45,965	Topcorn	705,246	0.06
		13,697,576	1.07
	Pharmaceuticals & Biotechnology — 5.54% (6.45%)		
78,728	Alfresa	1,171,694	0.09
914,350	Astellas Pharmaceutical	9,280,463	0.73
95,946	Chugai Pharmaceutical	3,475,457	0.27
285,600	Daiichi Sankyo	4,841,145	0.38
115,966	Eisai	4,791,672	0.37
31,900	Hisamitsu Pharmaceutical	1,315,117	0.10
16,600	Kaken Pharmaceutical	651,134	0.05
15,600	Kissei Pharmaceutical	334,053	0.03
27,318	Kobayashi Pharmaceutical	1,204,580	0.09
19,100	Kyorin	304,011	0.02
112,900	Kyowa Hakko Kirin	1,535,665	0.12
67,487	Medipal	982,336	0.08
22,900	Miraca	806,593	0.06
98,318	Mitsubishi Tanabe Pharmaceutical	1,774,130	0.14
5,821	Mochida Pharmaceutical	344,046	0.03
22,500	Nippon Shinyaku	1,227,781	0.10

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Pharmaceuticals & Biotechnology		
	— (cont.)		
193,755	Ono Pharmaceutical	3,495,627	0.27
185,000	Otsuka	5,913,897	0.46
34,500	PeptiDream	831,980	0.06
43,600	Rohto Pharmaceutical	772,502	0.06
158,005	Santen Pharmaceutical	1,930,997	0.15
13,604	Sawai Pharmaceutical	605,310	0.05
126,814	Shionogi	5,316,045	0.42
70,535	Sumitomo Dainippon Pharmaceutical	755,205	0.06
35,309	Suzuken	984,571	0.08
19,869	Taisho Pharmaceutical	1,200,852	0.09
336,231	Takeda Pharmaceutical	14,209,199	1.11
29,394	Tsumura	835,321	0.07
		<hr/>	
		70,891,383	5.54
	Food & Drug Retailers		
	— 0.67% (0.83%)		
8,571	Ain	422,533	0.03
3,700	Cosmos Pharmaceutical	587,441	0.05
36,134	FamilyMart	1,540,289	0.12
6,700	Kusuri no Aoki	281,132	0.02
20,897	Lawson	1,049,697	0.08
16,000	Matsumotokiyoshi	882,695	0.07
16,100	Sugi	629,374	0.05
30,296	Sundrug	995,352	0.08
16,000	Tsuruha	1,516,699	0.12
22,500	Welcia	644,660	0.05
		<hr/>	
		8,549,872	0.67
	General Retailers — 3.74% (4.29%)		
12,200	Adastria	202,323	0.02
305,300	Aeon	3,525,406	0.28
20,749	Aoyama Trading	581,342	0.04
31,487	Autobacs Seven	412,112	0.03
32,077	Benesse	867,700	0.07
63,855	Bic Camera	609,991	0.05
47,100	DeNA	831,059	0.06
51,058	Don Quijote	1,582,103	0.12
22,538	Fast Retailing	5,571,935	0.44
37,143	GREE	197,974	0.02
37,135	H2O Retailing	531,121	0.04
158,977	Isetan Mitsukoshi	1,359,589	0.11
17,742	Izumi	713,683	0.06
110,670	J Front Retailing	1,280,160	0.10
59,828	Kakaku.com	625,401	0.05
13,275	Komeri	301,534	0.02
36,300	K's	623,305	0.05
92,351	Marui	1,056,552	0.08
32,362	Nitori	3,652,758	0.29
45,963	Park24	829,701	0.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	General Retailers — (cont.)		
349,501	Rakuten	2,830,429	0.22
10,266	Ryohin Keikaku	2,253,110	0.18
340,826	Seven & I	10,533,683	0.82
20,600	Shimachu	439,746	0.03
9,224	Shimamura	787,001	0.06
79,200	Start Today	1,883,519	0.15
129,840	Takashimaya	930,246	0.07
95,900	USS	1,477,161	0.12
325,220	Yamada Denki	1,295,200	0.10
		47,785,844	3.74
	Media — 0.90% (1.00%)		
129,644	Dai Nippon Printing	2,353,240	0.18
96,400	Dentsu	3,212,164	0.25
20,600	Fuji Media	227,706	0.02
104,710	Hakuhodo DY	1,104,346	0.09
88,100	M3	1,930,619	0.15
25,000	Nippon Television	340,717	0.03
4,800	Shochiku	546,908	0.04
51,600	SKY Perfect JSAT	182,092	0.01
50,206	Toho	1,271,021	0.10
14,403	Tokyo Broadcasting System	215,894	0.02
7,600	TV Asahi	115,442	0.01
		11,500,149	0.90
	Travel & Leisure — 4.90% (5.14%)		
51,296	All Nippon Airways	1,494,018	0.12
79,800	Central Japan Railway	11,165,806	0.87
163,871	East Japan Railway	12,008,462	0.94
99,437	Hankyu Hanshin	2,971,743	0.23
23,627	Heiwa	360,620	0.03
15,900	HIS	400,405	0.03
47,900	Japan Airlines	1,232,773	0.10
43,327	Keihan	1,008,721	0.08
109,288	Keikyu	1,723,468	0.14
50,619	Keio	1,654,614	0.13
60,366	Keisei Electric Railway	1,375,208	0.11
78,938	Kintetsu Group	2,314,365	0.18
73,000	Kyushu Railway	1,731,202	0.14
80,558	Nagoya Railroad	1,389,174	0.11
51,400	Nankai Electric Railway	1,009,796	0.08
37,246	Nishi-Nippon Railroad	723,529	0.06
134,463	Odakyu Electric Railway	1,977,865	0.15
83,500	Oriental Land	5,115,682	0.40
26,700	Resorttrust	398,618	0.03
22,100	Sankyo	561,697	0.04
95,300	Seibu	1,284,191	0.10
58,000	Skylark	657,365	0.05
36,633	Sotetsu	714,558	0.06
89,210	Tobu Railway	1,972,805	0.15

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Travel & Leisure — (cont.)		
215,978	Tokyu	2,479,560	0.19
80,752	West Japan Railway	4,372,543	0.34
38,900	Zensho	541,833	0.04
		62,640,621	4.90
	Fixed Line Telecommunications — 0.82% (0.33%)		
295,370	Nippon Telegraph & Telephone	10,443,053	0.82
	Mobile Telecommunications — 4.19% (4.41%)		
10,137	Hikari Tsushin	1,001,497	0.08
805,254	KDDI	16,561,194	1.29
571,532	NIT DoCoMo	10,334,160	0.81
375,969	SoftBank Group	25,657,415	2.01
		53,554,266	4.19
	Electricity — 1.29% (1.42%)		
307,300	Chubu Electric Power	2,998,083	0.23
126,517	Chugoku Electric Power	1,084,519	0.09
72,100	Electric Power Development	1,402,517	0.11
76,287	Hokkaido Electric Power	425,444	0.03
80,198	Hokuriku Electric Power	531,784	0.04
318,300	Kansai Electric Power	3,341,093	0.26
203,100	Kyushu Electric Power	1,749,127	0.14
69,185	Shikoku Electric Power	646,599	0.05
209,900	Tohoku Electric Power	2,161,947	0.17
688,800	Tokyo Electric Power	2,155,019	0.17
		16,496,132	1.29
	Gas, Water & Multiutilities — 0.56% (0.69%)		
175,344	Osaka Gas	2,622,477	0.20
40,202	Toho Gas	915,848	0.07
185,020	Tokyo Gas	3,654,004	0.29
		7,192,329	0.56
	Banks — 7.50% (7.44%)		
31,151	77 Bank	592,866	0.05
50,924	Aozora Bank	1,489,618	0.12
83,952	Awa Bank	407,707	0.03
31,329	Bank of Kyoto	1,243,508	0.10
290,872	Chiba Bank	1,618,278	0.13
74,422	Chugoku Bank	794,340	0.06
517,000	Concordia Financial Group	2,029,310	0.16
15,545	Daishi Bank	564,117	0.04
323,758	Fukuoka Financial	1,209,466	0.09
192,400	Gunma Bank	916,407	0.07
183,162	Hachijuni Bank	867,519	0.07
126,374	Hiroshima Bank	781,489	0.06
55,299	Hokuhoku Financial	674,340	0.05
119,549	Iyo Bank	749,651	0.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Banks — (cont.)		
177,480	Japan Post Bank	1,680,030	0.13
16,223	Juroku Bank	419,902	0.03
107,387	Keiyo Bank	395,436	0.03
178,288	Kyushu Financial	834,919	0.07
455,800	Mebuki Financial	1,392,596	0.11
5,671,860	Mitsubishi UFJ Financial	28,415,197	2.22
11,190,441	Mizuho Financial	15,109,251	1.18
66,248	Nishi-Nippon Financial	570,979	0.04
131,100	North Pacific Bank	315,715	0.02
969,759	Resona	3,833,634	0.30
64,602	San-In Godo Bank	435,695	0.03
114,435	Senshu Ikeda	335,126	0.03
300,600	Seven Bank	834,195	0.07
110,000	Shiga Bank	465,229	0.04
74,742	Shinsei Bank	916,920	0.07
232,831	Shizuoka Bank	1,655,706	0.13
588,669	Sumitomo Mitsui Financial	17,490,676	1.37
163,800	Sumitomo Mitsui Trust	4,714,981	0.37
76,270	Suruga Bank	1,275,029	0.10
101,740	Yamaguchi Financial	916,922	0.07
		95,946,754	7.50
	Nonlife Insurance — 1.59% (1.66%)		
220,529	MS&AD Insurance Group	5,612,360	0.44
160,114	Sompo	4,778,708	0.37
309,200	Tokio Marine	9,917,202	0.78
		20,308,270	1.59
	Life Insurance — 1.31% (1.01%)		
502,094	Dai-ichi Life	7,171,119	0.56
592,705	Japan Post	5,155,863	0.40
29,200	Japan Post Insurance	475,484	0.04
74,500	Sony Financial	944,765	0.07
263,779	T&D	3,048,588	0.24
		16,795,819	1.31
	Real Estate Investment & Services — 2.43% (2.74%)		
50,964	AEON Mall	688,452	0.05
12,900	Daikyo	194,312	0.02
31,679	Daito Trust Construction	4,361,806	0.34
159,786	Hulic	1,213,015	0.09
60,000	Iida Group	843,737	0.07
106,800	Leopalace21	580,649	0.05
519,815	Mitsubishi Estate	7,060,115	0.55
416,088	Mitsui Fudosan	7,297,280	0.57
55,900	Nomura Real Estate	902,801	0.07
51,200	NTT Urban Development	402,688	0.03
46,000	Relo	833,744	0.07
189,205	Sumitomo Realty & Development	4,596,823	0.36
90,415	Tokyo Tatemono	936,693	0.07

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Real Estate Investment & Services — (cont.)		
232,927	Tokyu Fudosan	1,146,731	0.09
		<hr/>	<hr/>
		31,058,846	2.43
	Financial Services — 2.29% (2.32%)		
175,160	Acom	542,173	0.04
52,834	AEON Financial Service	868,087	0.07
123,700	Aiful	322,650	0.03
26,300	Aplus Financial	19,299	—
70,944	Credit Saison	1,093,233	0.09
703,428	Daiwa Securities	3,141,164	0.25
19,600	Hitachi Capital	354,855	0.03
90,100	Ichigo	231,404	0.02
11,700	JAFCO	437,078	0.03
236,824	Japan Exchange	3,297,110	0.26
48,345	Matsui Securities	293,480	0.02
198,040	Mitsubishi UFJ Lease & Finance	805,876	0.06
28,100	Nihon M&A Center	1,000,997	0.08
1,474,200	Nomura	6,457,174	0.50
248,100	Orient	304,530	0.02
566,700	Orix	7,254,599	0.57
90,490	SBI	1,072,687	0.08
102,200	Tokai Tokyo Financial	486,100	0.04
20,800	Tokyo Century	703,488	0.05
21,300	Zenkoku Hoshu	655,037	0.05
		<hr/>	<hr/>
		29,341,021	2.29
	Software & Computer Services — 1.32% (1.30%)		
21,835	Capcom	407,555	0.03
42,898	CyberAgent	972,974	0.08
20,344	Itochu Techno-Solutions	584,923	0.05
21,200	Koei Techmo	324,142	0.03
16,009	LINE	451,207	0.03
46,999	Nomura Research Institute	1,393,624	0.11
14,352	NS Solutions	243,565	0.02
274,800	NTT Data	2,368,451	0.18
29,500	OBIC	1,426,742	0.11
3,200	OBIC Business Consultants	125,307	0.01
14,674	Oracle Japan	939,734	0.07
22,393	Otsuka	1,111,400	0.09
18,400	SCSK	598,381	0.05
33,568	Square Enix	995,365	0.08
35,700	TIS	794,236	0.06
50,995	Trend Micro	2,034,295	0.16
578,200	Yahoo! Japan	2,098,274	0.16
		<hr/>	<hr/>
		16,870,175	1.32
	Technology Hardware & Equipment — 4.05% (3.42%)		
77,785	Advantest	1,265,589	0.10

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Technology Hardware & Equipment — (cont.)		
105,034	Brother Industries	1,981,502	0.15
456,638	Canon	12,465,018	0.97
19,000	Canon Marketing Japan	372,637	0.03
173,308	Fujifilm	5,293,885	0.41
871,432	Fujitsu	5,339,467	0.42
29,240	Hitachi High-Technologies	879,709	0.07
19,800	Hitachi Kokusai Electric	409,461	0.03
198,003	Konica Minolta	1,305,010	0.10
115,165	NEC	2,435,362	0.19
145,500	Renesas Electronics	1,242,391	0.10
302,098	Ricoh	2,376,002	0.19
39,458	Rohm	2,721,704	0.21
18,000	Screen	1,009,843	0.08
123,412	Seiko Epson	2,395,717	0.19
98,358	Sumco	1,467,780	0.11
69,285	Tokyo Electron	8,890,304	0.70
		51,851,381	4.05
	FUTURES CONTRACTS — 0.00% (0.00%)		
18	TOPIX Future Expiry December 2017	3,790	—
Portfolio of investments¹		1,264,171,559	98.82
Net other assets		15,057,164	1.18
Total net assets		£1,279,228,723	100.00%

¹ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £104,798,179.

Total sales for the year: £123,704,871.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General Japan Index Trust

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General Japan Index Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 24 October 2017 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 24 October 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution table; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Independent Auditors' Report continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 6, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 December 2017

Notes:

- a) The maintenance and integrity of the Legal & General website is the responsibility of the Authorised Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Statement of Total Return for the year ended 24 October 2017

Notes	24/10/17		24/10/16	
	£	£	£	£
Income				
Net capital gains	3	102,327,252		254,713,432
Revenue	4	24,185,664	24,049,451	
Expenses	5	(5,435,862)	(4,595,578)	
Interest payable and similar charges	7	(19,094)	(5,516)	
Net revenue before taxation		18,730,708	19,448,357	
Taxation	6	(2,409,642)	(2,395,804)	
Net revenue after taxation for the year		16,321,066	17,052,553	
Total return before distributions		118,648,318	271,765,985	
Distributions	7	(16,322,044)	(17,057,149)	
Change in net assets attributable to Unitholders from investment activities		£102,326,274	£254,708,836	

Statement of Change in Net Assets attributable to Unitholders for the year ended 24 October 2017

	24/10/17		24/10/16	
	£	£	£	£
Opening net assets attributable to Unitholders		1,186,925,409		909,985,255
Amounts received on issue of units		289,748,482	266,465,424	
Amounts paid on cancellation of units		(225,397,867)	(251,648,760)	
Amounts paid on in-specie transactions		(80,599,733)	–	
		(16,249,118)	14,816,664	
Change in net assets attributable to Unitholders from investment activities		102,326,274	254,708,836	
Retained distributions on accumulation units		6,225,154	7,414,654	
Unclaimed distributions		1,004	–	
Closing net assets attributable to Unitholders		£1,279,228,723	£1,186,925,409	

Financial Statements continued

Balance Sheet as at 24 October 2017

	Notes	24/10/17 £	24/10/16 £
ASSETS			
Fixed assets:			
Investments		1,264,171,559	1,180,750,073
Current assets:			
Debtors	8	25,326,133	11,751,973
Cash and bank balances	9	7,312,357	8,221,555
Total assets		1,296,810,049	1,200,723,601
LIABILITIES			
Investment liabilities			
		–	(21,866)
Creditors:			
Bank overdrafts	9	(1,177,583)	(3,126,710)
Distributions payable		(9,536,632)	(9,562,234)
Other creditors	10	(6,867,111)	(1,087,382)
Total liabilities		(17,581,326)	(13,798,192)
Net assets attributable to Unitholders		£1,279,228,723	£1,186,925,409

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The principal accounting policies which have been applied consistently are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Revenue from derivative instruments is treated in accordance with note 2(i).

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

(e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution, on an annual basis, in accordance with the COLL.

Fund management fees are deducted from revenue for the purpose of calculating the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Trust.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 24 October 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

(g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 24 October 2017, being the last working day of the accounting year.

(i) Derivative Instruments

The Trust may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Trust with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Trust have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

Notes to the Financial Statements continued

3. Net capital gains

	24/10/17	24/10/16
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	102,583,529	254,359,798
Derivative securities	1,176,982	(2,204,212)
Forward currency contracts	171,069	(22,923)
Currency (losses)/gains	(1,604,328)	2,581,249
Derivative charges	—	(480)
Net capital gains	<u>102,327,252</u>	<u>254,713,432</u>

4. Revenue

	24/10/17	24/10/16
	£	£
Non-taxable overseas dividends	24,068,087	23,964,916
Futures revenue	117,429	80,987
Bank interest	<u>148</u>	<u>3,548</u>
	<u>24,185,664</u>	<u>24,049,451</u>

5. Expenses

	24/10/17	24/10/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>5,435,862</u>	<u>4,595,578</u>
Total expenses	<u>5,435,862</u>	<u>4,595,578</u>

Audit fees of £8,970 plus VAT on Audit fees of £1,794 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,830 plus VAT of £1,766.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	24/10/17	24/10/16
	£	£
Overseas tax	2,409,642	2,395,804
Current tax [note 6(b)]	2,409,642	2,395,804
Deferred tax [note 6(c)]	—	—
Total taxation	<u>2,409,642</u>	<u>2,395,804</u>

(b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>18,730,708</u>	<u>19,448,357</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	3,746,142	3,889,671
Effects of:		
Overseas tax	2,409,642	2,395,804
Revenue not subject to taxation	(4,813,617)	(4,792,983)
Excess management expenses not utilised	<u>1,067,475</u>	<u>903,312</u>
Current tax	<u>2,409,642</u>	<u>2,395,804</u>

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £5,050,073 (24 October 2016: £3,982,598) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amounts and therefore no deferred tax asset has been recognised (24 October 2016: same).

Notes to the Financial Statements continued

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	24/10/17	24/10/16
	£	£
Final distribution	<u>15,761,786</u>	<u>16,976,888</u>
	15,761,786	16,976,888
Add: Revenue deducted on cancellation of units	1,273,926	1,782,694
Add: Revenue deducted on in-specie transactions	704,990	—
Less: Revenue received on creation of units	<u>(1,418,658)</u>	<u>(1,702,433)</u>
Distributions for the year	<u>16,322,044</u>	<u>17,057,149</u>
Interest payable and similar charges		
Bank overdraft interest	<u>19,094</u>	<u>5,516</u>
	<u>16,341,138</u>	<u>17,062,665</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	24/10/17	24/10/16
	£	£
Net revenue after taxation for the year	16,321,066	17,052,553
Equalisation effect of conversions	<u>978</u>	<u>4,596</u>
Distributions for the year	<u>16,322,044</u>	<u>17,057,149</u>

8. Debtors

	24/10/17	24/10/16
	£	£
Accrued revenue	8,826,699	9,527,289
Amounts receivable for creation of units	10,939,043	2,224,684
Receivable for foreign exchange contracts	16,297	—
Sales awaiting settlement	<u>5,544,094</u>	<u>—</u>
	<u>25,326,133</u>	<u>11,751,973</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	24/10/17	24/10/16
	£	£
Amounts held at futures clearing houses and brokers	93,163	144,088
Cash and bank balances	7,219,194	8,077,467
Bank overdrafts	(1,177,583)	(3,126,710)
Net uninvested cash	<u>6,134,774</u>	<u>5,094,845</u>

10. Other creditors

	24/10/17	24/10/16
	£	£
Accrued expenses	366,998	343,556
Amounts payable for cancellation of units	6,500,113	531,371
Payable for foreign exchange contracts	—	10,045
Purchases awaiting settlement	—	202,410
	<u>6,867,111</u>	<u>1,087,382</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (24 October 2016: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

The investments of a Trust in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Trust has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Trust is detailed on page 2.

(a) Market Risk arising from other price 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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Trust can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Trust. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Trust's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 24 October 2017, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £63,208,578 (24 October 2016: £59,036,410).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Trust's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

In the event of a change in interest rates, there would be no material impact upon the assets of the Trust.

(c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

Forward currency contracts were utilised during the current and preceding year.

At 24 October 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £12,731,431 (24 October 2016: £11,906,026).

The direct foreign currency profile of the Trust's net assets at the balance sheet date was:

24/10/17 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Japanese Yen	8,972	1,264,172	1,273,144

24/10/16 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Japanese Yen	9,874	1,180,728	1,190,602

(d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Trust's investment objective and policy.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Trust is the liability to Unitholders for any cancellation of units.

The Trust can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

(f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Trust made use of the following derivatives:

Futures

Futures are used to manage market exposure with reduced dealing costs, in order to maintain an Index distribution. The effect of these instruments was to increase the exposure of the Trust by £2,109,143 (24 October 2016: decrease the exposure by £2,904,516), representing 0.16% of the net asset value (24 October 2016: decrease of 0.24%).

This results in an effective equity exposure at the year end of 98.98% (24 October 2016: 99.24%) of net assets, which means that the gains or losses of the Trust will be 0.9898 (24 October 2016: 0.9924) times the gains or losses if the Trust was fully invested in equities.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(g) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Trust's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Trust's financial instruments as at the balance sheet date were:

24/10/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	1,264,171,559	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	1,264,171,559	—

24/10/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	1,180,750,073	(21,866)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	1,180,750,073	(21,866)

Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

24/10/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	104,767	31	0.03	—	—	104,798
Total	104,767	31	0.03	—	—	104,798

24/10/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	123,717	(12)	0.01	—	—	123,705
Total	123,717	(12)	0.01	—	—	123,705

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.00%

24/10/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	119,489	28	0.02	—	—	119,517
Total	119,489	28	0.02	—	—	119,517

24/10/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	97,299	(27)	0.03	—	—	97,272
Total	97,299	(27)	0.03	—	—	97,272

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.10% (24 October 2016: 0.13%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 51. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 42 to 49. The distributions per unit class are given in the distribution table on page 40. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	929,418,795	103,139,304
Units issued	137,864,717	36,834,427
Units cancelled	(132,067,267)	(39,592,080)
Units converted	9,159	(936,960)
Closing Units	935,225,404	99,444,691

F-Class	Distribution	Accumulation
Opening Units	5,502	381,420
Units issued	12,374	65,602
Units cancelled	(12,262)	(62,328)
Units converted	9,566	-
Closing Units	15,180	384,694

I-Class	Distribution	Accumulation
Opening Units	412,558,664	637,278,526
Units issued	138,175,493	157,826,506
Units cancelled	(75,389,389)	(256,965,529)
Units converted	1,713,262	101,387
Closing Units	477,058,030	538,240,890

C-Class	Distribution	Accumulation
Opening Units	131,683,320	42,745,429
Units issued	38,688,830	26,203,937
Units cancelled	(15,117,147)	(23,511,748)
Units converted	(1,693,736)	748,982
Closing Units	153,561,267	46,186,600

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Trust because it provides key management personnel services to the Trust. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Trust.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Trust. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Trust plus any rebates paid by the Authorised Fund Manager to the Trust are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Trust, or rebates receivable by the Trust from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 51.37% (53.90% as at 24 October 2016) of the Trust's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per R-Class distribution unit was 53.82p. The Net Asset Value per R-Class distribution unit for the Trust as at 12 noon on 12 December 2017 was 54.90p. This represents an increase of 2.01% from the year end value.

Distribution Table

Distribution Table for the year ended 24 October 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

Final dividend distribution in pence per unit			Period	
			25/10/16	to 24/10/17
R-Class			Distribution	Distribution
Distribution Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.4576	–	0.4576	0.5192
Group 2	0.3165	0.1411	0.4576	0.5192
R-Class			Distribution	Distribution
Accumulation Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.5103	–	0.5103	0.5746
Group 2	0.2604	0.2499	0.5103	0.5746
F-Class			Distribution	Distribution
Distribution Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.7087	–	0.7087	0.7553
Group 2	0.0423	0.6664	0.7087	0.7553
F-Class			Distribution	Distribution
Accumulation Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.8044	–	0.8044	0.8426
Group 2	0.5269	0.2775	0.8044	0.8426
I-Class			Distribution	Distribution
Distribution Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.8267	–	0.8267	0.8635
Group 2	0.5410	0.2857	0.8267	0.8635
I-Class			Distribution	Distribution
Accumulation Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.9748	–	0.9748	1.0008
Group 2	0.5718	0.4030	0.9748	1.0008
C-Class			Distribution	Distribution
Distribution Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	0.8544	–	0.8544	0.8913
Group 2	0.5307	0.3237	0.8544	0.8913
C-Class			Distribution	Distribution
Accumulation Units			24/12/17	24/12/16
	Revenue	Equalisation		
Group 1	1.0117	–	1.0117	1.0302
Group 2	0.6111	0.4006	1.0117	1.0302

Trust Information

The Comparative Tables on pages 42 to 49 give the performance of each active share class in the Trust.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Trust's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Trust.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.67	38.96	33.40
Return before operating charges*	5.03	11.57	6.17
Operating charges (calculated on average price)	(0.42)	(0.34)	(0.32)
Return after operating charges*	4.61	11.23	5.85
Distributions on income units	(0.46)	(0.52)	(0.29)
Closing net asset value per unit	53.82	49.67	38.96
* after direct transaction costs of:	-	-	-

Performance

Return after charges	9.28%	28.82%	17.51%
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Other Information

Closing net asset value (£)	503,353,540	461,598,533	392,338,768
Closing number of units	935,225,404	929,418,795	1,007,157,126
Operating charges [†]	0.83%	0.83%	0.83%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.38p	50.31p	42.74p
Lowest unit price	46.68p	33.83p	33.51p

[†] 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. 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.

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.

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	55.38	42.98	36.58
Return before operating charges*	5.61	12.78	6.75
Operating charges (calculated on average price)	(0.47)	(0.38)	(0.35)
Return after operating charges*	5.14	12.40	6.40
Distributions	(0.51)	(0.57)	(0.31)
Retained distributions on accumulation units	0.51	0.57	0.31
Closing net asset value per unit	60.52	55.38	42.98
* after direct transaction costs of:	-	-	-

Performance

Return after charges	9.28%	28.85%	17.50%
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Other Information

Closing net asset value (£)	60,184,617	57,114,192	50,643,099
Closing number of units	99,444,691	103,139,304	117,817,030
Operating charges†	0.83%	0.83%	0.83%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	60.64p	55.51p	46.81p
Lowest unit price	52.05p	37.33p	36.70p

† 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. 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.

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.

Trust Information continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.76	39.03	33.47
Return before operating charges*	5.06	11.63	6.18
Operating charges (calculated on average price)	(0.19)	(0.14)	(0.15)
Return after operating charges*	4.87	11.49	6.03
Distributions on income units	(0.71)	(0.76)	(0.47)
Closing net asset value per unit	53.92	49.76	39.03
* after direct transaction costs of:	-	-	-

Performance

Return after charges	9.79%	29.44%	18.02%
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Other Information

Closing net asset value (£)	8,185	2,738	117,506
Closing number of units	15,180	5,502	301,063
Operating charges†	0.37%	0.37%	0.38%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.74p	50.83p	42.97p
Lowest unit price	46.79p	34.00p	33.64p

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Trust Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	56.49	43.65	36.98
Return before operating charges*	5.74	13.01	6.83
Operating charges (calculated on average price)	(0.21)	(0.17)	(0.16)
Return after operating charges*	5.53	12.84	6.67
Distributions	(0.80)	(0.84)	(0.52)
Retained distributions on accumulation units	0.80	0.84	0.52
Closing net asset value per unit	62.02	56.49	43.65
* after direct transaction costs of:	-	-	-

Performance

Return after charges	9.79%	29.42%	18.04%
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Other Information

Closing net asset value (£)	238,579	215,450	197,419
Closing number of units	384,694	381,420	452,318
Operating charges†	0.37%	0.37%	0.38%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	62.14p	56.84p	47.47p
Lowest unit price	53.12p	38.02p	37.16p

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

Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.62	38.92	33.37
Return before operating charges*	5.07	11.62	6.16
Operating charges (calculated on average price)	(0.08)	(0.06)	(0.06)
Return after operating charges*	4.99	11.56	6.10
Distributions on income units	(0.83)	(0.86)	(0.55)
Closing net asset value per unit	53.78	49.62	38.92
* after direct transaction costs of:	-	-	-

Performance

Return after charges	10.06%	29.70%	18.28%
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Other Information

Closing net asset value (£)	256,555,527	204,729,822	157,967,013
Closing number of units	477,058,030	412,558,664	405,842,931
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.71p	50.80p	42.79p
Lowest unit price	46.68p	33.87p	33.54p

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

Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	58.51	45.11	38.13
Return before operating charges*	5.97	13.47	7.05
Operating charges (calculated on average price)	(0.09)	(0.07)	(0.07)
Return after operating charges*	5.88	13.40	6.98
Distributions	(0.97)	(1.00)	(0.63)
Retained distributions on accumulation units	0.97	1.00	0.63
Closing net asset value per unit	64.39	58.51	45.11
* after direct transaction costs of:	-	-	-

Performance

Return after charges	10.05%	29.71%	18.31%
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Other Information

Closing net asset value (£)	346,552,117	372,901,774	251,187,468
Closing number of units	538,240,890	637,278,526	556,827,331
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	64.51p	58.88p	48.89p
Lowest unit price	55.04p	39.26p	38.32p

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

Trust Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.61	38.91	33.37
Return before operating charges*	5.05	11.63	6.15
Operating charges (calculated on average price)	(0.05)	(0.04)	(0.04)
Return after operating charges*	5.00	11.59	6.11
Distributions on income units	(0.85)	(0.89)	(0.57)
Closing net asset value per unit	53.76	49.61	38.91
* after direct transaction costs of:	-	-	-

Performance

Return after charges	10.08%	29.79%	18.31%
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Other Information

Closing net asset value (£)	82,554,382	65,325,624	42,705,870
Closing number of units	153,561,267	131,683,320	109,748,218
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.72p	50.82p	42.88p
Lowest unit price	46.66p	33.92p	33.53p

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

Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	58.57	45.13	38.13
Return before operating charges*	5.97	13.49	7.04
Operating charges (calculated on average price)	(0.06)	(0.05)	(0.04)
Return after operating charges*	5.91	13.44	7.00
Distributions	(1.01)	(1.03)	(0.65)
Retained distributions on accumulation units	1.01	1.03	0.65
Closing net asset value per unit	64.48	58.57	45.13
* after direct transaction costs of:	-	-	-

Performance

Return after charges	10.09%	29.78%	18.36%
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Other Information

Closing net asset value (£)	29,781,776	25,037,276	14,828,112
Closing number of units	46,186,600	42,745,429	32,855,012
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	64.61p	58.94p	49.01p
Lowest unit price	55.10p	39.35p	38.32p

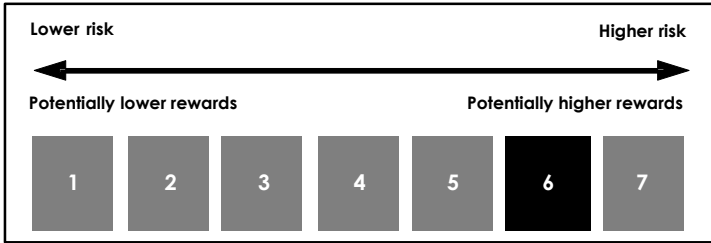
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Risk and Reward Profile



- 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.

General Information

Constitution

Launch date:	13 June 1989
Period end date for distribution:	24 October
Distribution date:	24 December
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000
Minimum monthly contributions:	R-Class £50 F-Class* £50 I-Class N/A C-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.83% F-Class* Annual 0.37% I-Class Annual 0.15% C-Class** Annual 0.10%
Initial charge:	R-Class Nil† F-Class* Nil I-Class Nil C-Class** Nil

* 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.

† With effect from 6 June 2017 – See Significant Change on page 54.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/daily-fund-prices immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

General Information continued

Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at www.legalandgeneral.com. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

ISA Status

This Trust may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

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

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

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 0.04%, whilst over the last three years to the end of October 2017, the annualised Tracking Error of the Trust is 0.03%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.50% per annum.

General Information continued

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General Japan Index Trust, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	272

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	2,178	2,535	16

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 22 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Index Fund Management Team.

Significant Change

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the 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.

General Information continued

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services Limited
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

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
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Authorised and regulated by the Financial Conduct Authority

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

Legal & General
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