

Legal & General Japan Index Trust

**Interim Manager's
Short Report
for the period ended
24 April 2018**

**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.

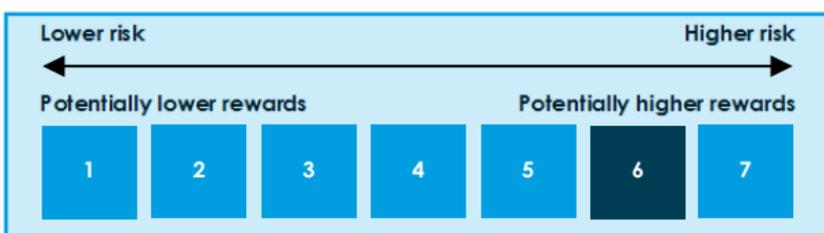
Trust Facts

Period End Date for Distribution:		24 Oct
Distribution Date:		24 Dec
Ongoing Charges Figures:	24 Apr 18	24 Oct 17
R-Class	0.83%	0.83%
F-Class	0.37%	0.37%
I-Class	0.15%	0.15%
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 number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which the Index the Trust tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Trust is in category six because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

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	399,944,087	744,112,634	53.75
Accumulation Units	59,364,436	98,227,932	60.44
F-Class			
Distribution Units	8,193	15,180	53.97
Accumulation Units	234,014	377,018	62.07
I-Class			
Distribution Units	333,889,545	619,658,664	53.88
Accumulation Units	343,461,089	532,426,435	64.51
C-Class			
Distribution Units	86,825,498	161,152,544	53.88
Accumulation Units	61,223,588	94,743,978	64.62

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.

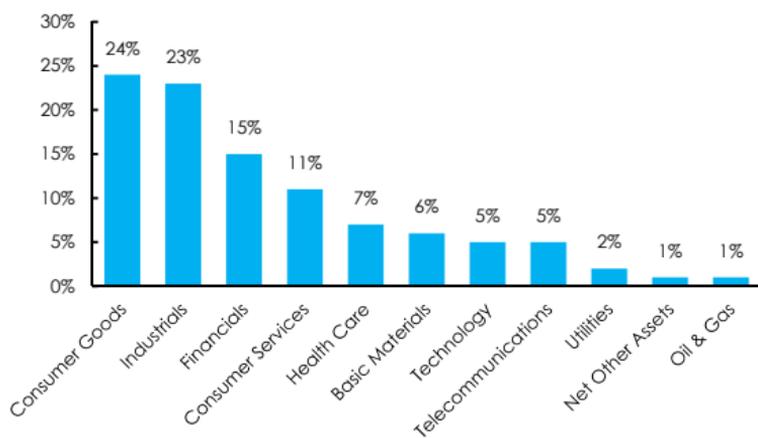
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

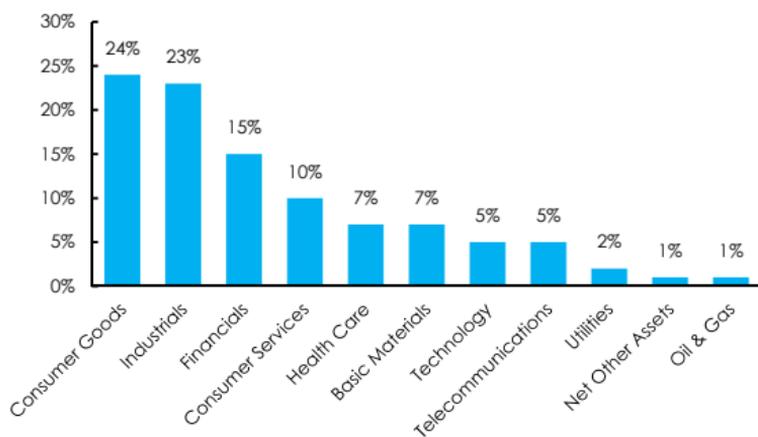
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 24 April 2018		Top 10 Holdings at 24 October 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Toyota Motor	4.19%	Toyota Motor	4.23%
Mitsubishi UFJ Financial	2.19%	Mitsubishi UFJ Financial	2.22%
SoftBank Group	1.59%	SoftBank Group	2.01%
Sony	1.56%	Honda Motor	1.43%
Honda Motor	1.50%	Sumitomo Mitsui Financial	1.37%
Sumitomo Mitsui Financial	1.43%	KDDI	1.29%
Keyence	1.33%	Keyence	1.28%
KDDI	1.18%	Sony	1.24%
Fanuc	1.17%	Mizuho Financial	1.18%
Mizuho Financial	1.15%	Fanuc	1.14%

Trust Holdings as at 24 April 2018



Trust Holdings as at 24 October 2017



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 0.98%. 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 1.36% on a capital only basis, matching the fall in performance of the FTSE World Japan Index by 1.36% (Source: Bloomberg).

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

Global equity indices ended the period broadly unchanged.

Although markets closed 2017 on a strong note, reflecting a steady improvement in global economic indicators and corporate earnings growth, selling pressures have emerged in recent months. Market volatility has risen markedly, particularly as trade tensions between the US and China has escalated. Notwithstanding concerns that US interest rate rises could follow a steeper-than-expected path, confidence that improving global economic growth will boost corporate earnings helped Japanese markets to outperform global equities. Japanese equities returns were bolstered by growing conviction in the sustainability of the domestic economic recovery and optimism over exports.

Over the review period, the Yen weakened, depreciating 2.0% against Sterling. For UK-based investors, the weakness of the Yen offset some of the market performance, resulting in almost flat returns over the review period.

The best performing sectors were Oil & Gas Producers (+22.94%), Personal Goods (+16.74%) and Food & Drug Retailers (+15.47%); the worst performing sectors were Tobacco (-27.85%), Mobile Telecommunications (-12.69%) and General Industrials (-9.37%).

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 2017 resulted in no additions and no deletions. There were 41 changes to the free share capital of constituents with the largest increases being Ain, Skylark and SBI and the largest decreases being Toyota Motor, Hitachi and Astellas Pharmaceutical. The two-way Index turnover was 0.3%.

At the FTSE Japan annual Index review in March 2018, there were 10 additions and 3 deletions. Tokai Carbon, Kyowa Exeo and Shima Seiki Manufacturing were the largest additions, whereas Senshu Ikeda, Juroku Bank and Adastria were deleted from the Index. There were 31 changes to the free share capital of constituents with the largest increases being Toshiba, Skylark and Daifuku and the largest decreases being NTT DoCoMo, Honda Motor and NTT. The two-way Index turnover was 1.3%.

Outside the reviews, there were several Index changes due to initial public offering (IPO) and merger and acquisition (M&A) activities. SG Holdings qualified as a fast entry to the Index following its IPO which raised USD 1.1 billion in December 2017. Additionally, following the shareholder meeting approval for the delisting arrangement Hitachi Kokusai was deleted from the Index in February 2018. Yakult Honsha increased its free float after Danone Probiotics sold 18.35 million shares through a block sale. Similarly, Renesas Electronics increased its weight in the Index after government-backed fund INCJ has sold part of its stake via secondary placing.

Outlook

Japanese stocks outperformed global equities by 2.2% over the review period, with investors adopting an optimistic approach as the Yen weakened against the Dollar since the end of March. There is also increased concern about the direction of US foreign policy as the US Treasury registered its continuing concern at 'the persistence of the large trade imbalance between the US and Japan'. U.S. President Donald Trump stated his intentions to focus on the trade deficit noting: "We have a very big deficit and we're going to weed that down, hopefully get our balance at some point in the not-too-distant future." Looking into the future, investors will be closely watching whether a bilateral deal can be negotiated aimed at trimming the US trade deficit, as Japan's position is that the Trans-Pacific Partnership trade deal is the best for both countries. The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)
16 May 2018

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 0.04%, whilst over the last three years to the end of April 2018, the annualised Tracking Error of the Trust is also 0.04%. 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
F-Class	£500
I-Class	£1,000,000
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, platforms or other distributors in relation to their investment in units in the Trust and
- ii) distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

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.

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Significant Changes

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Trust and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Trust is operated.

General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Japan Index Trust, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMprivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

Northern Trust Global Services PLC

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square

London E14 5GL

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Financial Conduct Authority**

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