

Legal & General European Index Trust
**Interim Manager's
Short Report**
for the period ended
31 January 2018

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the European equity markets, as represented by the FTSE World Europe (excluding UK) Index, by investing in a representative sample of stocks selected from all economic sectors. Securities in the FTSE World Europe (excluding UK) Index will be held with weightings generally proportionate to their company's market capitalisation.

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

Risk Profile

Market Risk

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

Currency Risk

This Trust 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:		31 July
Distribution Date:		30 September
Ongoing Charges Figures:	31 Jan 18	31 Jul 17
R-Class	0.84%	0.84%
F-Class	0.36%	0.36%
I-Class	0.12%	0.12%
C-Class	0.09%	0.09%

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 five 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	1,348,994,349	460,903,596	292.68
Accumulation Units	249,724,174	61,443,431	406.43
F-Class			
Distribution Units	147,685	50,263	293.82
Accumulation Units	578,285	138,771	416.72
I-Class			
Distribution Units	514,710,710	175,160,313	293.85
Accumulation Units	700,333,328	161,679,743	433.16
C-Class			
Distribution Units	190,676,474	64,892,407	293.83
Accumulation Units	184,155,095	42,442,534	433.89

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.

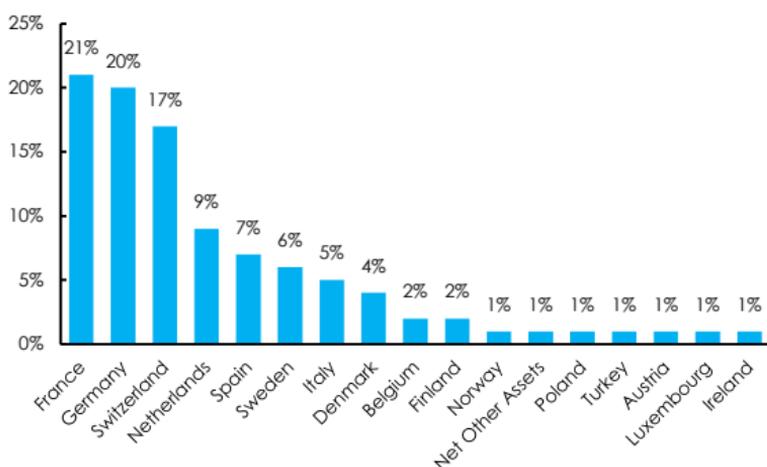
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

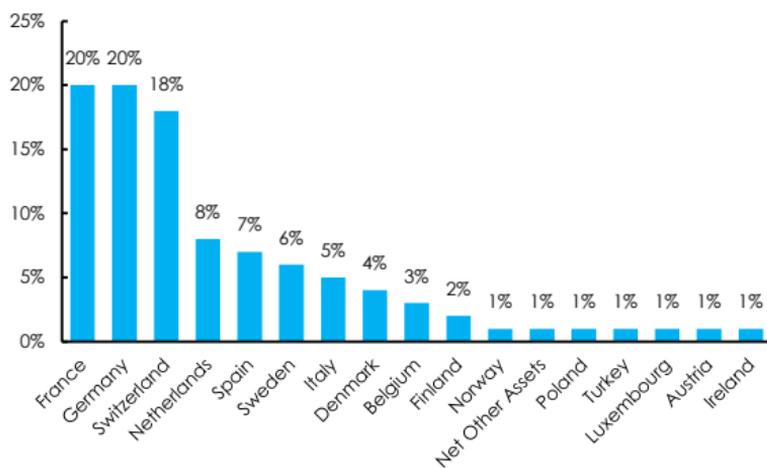
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 31 January 2018		Top 10 Holdings at 31 July 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Nestle	3.56%	Nestle	3.87%
Novartis	2.68%	Novartis	2.95%
Roche (Part Certified)	2.30%	Roche (Part Certified)	2.66%
Total	1.66%	Total	1.64%
Banco Santander	1.55%	Bayer	1.54%
Siemens	1.51%	Sanofi	1.53%
Allianz	1.48%	Siemens	1.51%
Bayer	1.42%	Banco Santander	1.44%
BASF	1.42%	Allianz	1.41%
SAP	1.33%	SAP	1.41%

Trust Holdings as at 31 January 2018



Trust Holdings as at 31 July 2017



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units rose by 1.14%. 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 re-valued using closing prices and foreign exchange rates. On this basis, over the review period, the Trust rose by 2.97% on a capital only basis compared with the FTSE World Europe (excluding UK) Index rise of 3.00% (Source: Bloomberg), producing a tracking difference of -0.03%.

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

Globally, equity markets have made further gains over the last six months, reflecting a steady improvement in global economic indicators and earnings growth that has exceeded expectations. Investors have favoured technology stocks in anticipation of an upturn in the semiconductor industry, while earnings announcements from the major technology companies, particularly in the US, have also been encouraging. Mining stocks have performed well as commodity markets rallied, while energy stocks also outperformed as the oil price climbed to a three-year high above \$70/barrel in January. In contrast, the utilities, real estate and telecoms sectors, which are more sensitive to bond markets, underperformed. US equities ended the review period at an all-time high, boosted by congressional approval for the Trump administration's tax reforms which included a substantial cut in corporation tax. The UK equity market ended 2017 on a positive note, as progress in Brexit negotiations with the European Union underpinned investor confidence, before faltering in January, underperforming international markets over the review period. Japan was the leading major market in Sterling terms. Investors reacted favourably to a resounding victory for incumbent prime minister Shinzo Abe in the general election, which was viewed as heralding further economic reforms. Asian equity markets advanced as the strong global backdrop has boosted the region's export-driven economies.

Manager's Investment Report continued

In Europe, although corporate results have highlighted improving earnings momentum and indicators suggest regional economic activity is accelerating, markets trailed the rest of the world as political concerns resurfaced. Talks to form a coalition government in Germany have been protracted, while in Spain regional elections in Catalonia failed to resolve the independence issue. More broadly, emerging markets have outperformed developed markets supported by the improving global economic backdrop and underlying corporate earnings growth.

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.

At the Index review in September 2017, there were 18 additions, the largest of which were Banco BPM (Italy), Ubisoft Entertainment (France) and Logitech International (Switzerland) and one deletion, Akcansa Cimento (Turkey). There were 53 changes to the free share capital of constituents with the largest increases being Intesa Sanpaolo, Covestro and Credit Suisse Group and the largest decreases being Roche (GENUS), Deutsche Bank and Unilever, resulting in total two-way Index turnover of 1.90%.

At the Index review in December 2017, there were three additions: Delivery Hero (Germany), ALD (France) and Dino Polska (Poland). There were also three deletions from the Index: Christian Dior (France), Idorsia (Switzerland) and Ryanair (Ireland). There were 41 changes to the free share capital of constituents with the largest increases being Intesa Sanpaolo, Telefonica and KOC and the largest decreases being Novartis, Clariant and Stora Enso R, resulting in total two-way Index turnover of 0.71%.

Elsewhere there were weight increases for several companies following share offerings including Abertis Infraestructuras (Spain), ABN AMRO Group (Netherlands) and EDP enovaveis (Portugal) and for several Spanish companies including Repsol, Banco Santander and Telefonica, after distributions of Bonus shares. Total (France) and EDF (France) both offered a Scrip option dividend with 10% dividend reinvestment plan discount.

Outlook

Equity markets began 2018 on a positive note. Europe outperformed other developed markets as the Eurozone economy expanded at its fastest pace for a decade in 2017, marking 19 consecutive quarters of expansion. Southern European markets such as Italy, Spain and Greece were the strongest in January. Italy benefited from an improving political outlook as Berlusconi's centre-right alliance gained momentum ahead of elections due in March. The US equity market continued to post record highs, registering its strongest start to the year since 1987 on optimism

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over the impact of tax cuts on corporate earnings. Expectations that an improving outlook for global economic growth will underpin corporate earnings helped the Japanese equity market to make further progress, although the market gave back some of its earlier gains as the Yen strengthened against the Dollar. The smaller Asia Pacific markets posted their best start for six years in January, as a combination of improving global economic prospects, US Dollar weakness and a continuing rally in commodity prices underpinned investor sentiment. The best performing markets in the Asia Pacific region last month were Thailand and Malaysia, while the Australian market underperformed as rising bond yields meant utilities and real estate stocks drove the market lower.

Legal & General Investment Management Limited

(Investment Adviser)

21 February 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 0.01%, whilst over the last three years to the end of January 2018, the annualised Tracking Error of the Trust is 0.02%. 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 and platforms in relation to their investment in units in the Trust and
- ii) authorised intermediaries or distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

C-Class units are only available to distributors who actively market and distribute such units (or whom the Manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

Other Information

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

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

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

Northern Trust Global Services Limited

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

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

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