

Legal & General
Global Real Estate Dividend Index Fund

**Interim Manager's
Short Report
for the period ended
20 October 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Fund is to provide a combination of income and capital growth in line with global developed market property companies and Real Estate Investment Trusts. It will achieve this by aiming to track the performance of the FTSE EPRA/NAREIT Developed Dividend Plus Index.

The Fund will invest primarily in the securities that make up the constituents of the Index and will be held with weightings generally proportionate to the weightings in the Index.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

The Fund may hold derivatives for the purpose of efficient portfolio management.

Risk Profile

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund 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 Fund is invested in overseas financial securities. The performance of the Fund 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.

Fund Facts

Period End Dates for Distributions:	20 Jan, 20 Apr, 20 Jul, 20 Oct	
Distribution Dates:	20 Mar, 20 June, 20 Sept, 20 Dec	
Ongoing Charges Figures:	20 Oct 17	20 Apr 17
I-Class	0.20%	0.20%
C-Class	0.15%	0.15%
L-Class	0.08%	0.08%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund 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 Fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Fund and the Index it aims to track have moved up and down in the past.
- This Fund is in category five because it invests in a mixture of property company shares and REITs which generally provide higher rewards and higher risks than other investments such as bonds or cash.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

Distribution Information

I-Class

The distribution payable on 20 December 2017 is 0.4538p per unit for distribution units and 0.4743p per unit for accumulation units.

C-Class

The distribution payable on 20 December 2017 is 0.4545p per unit for distribution units and 0.4691p per unit for accumulation units.

L-Class

The distribution payable on 20 December 2017 is 0.4519p per unit for distribution units and 0.4756p per unit for accumulation units.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
I-Class			
Distribution Units	4,087,859	6,666,224	61.32
Accumulation Units	18,461,091	28,546,659	64.67
C-Class			
Distribution Units	6,650,079	10,833,209	61.39
Accumulation Units	6,140,569	9,488,255	64.72
L-Class			
Distribution Units	289,195,139	470,652,219	61.45
Accumulation Units	246,784,159	380,905,072	64.79

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.

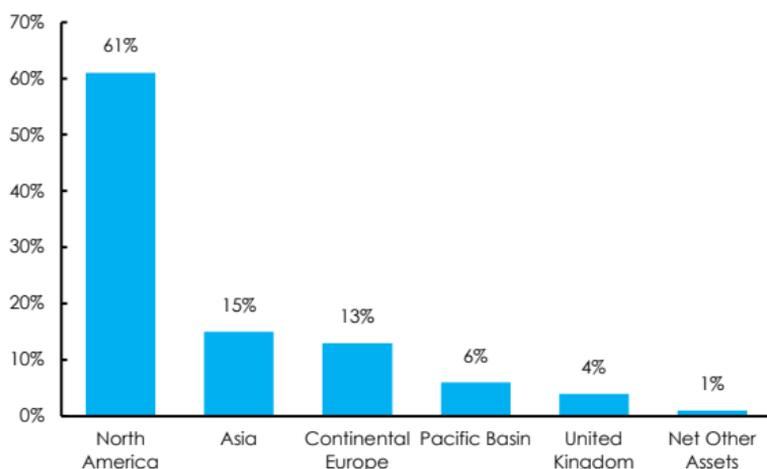
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

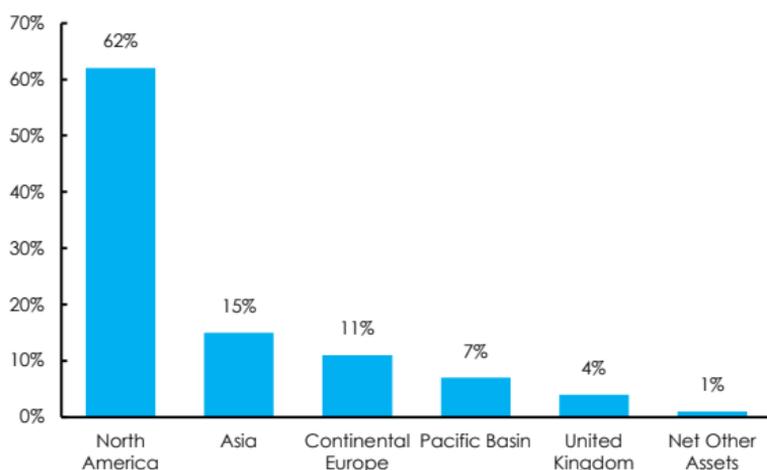
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 20 October 2017		Top 10 Holdings at 20 April 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Simon Property	3.75%	Simon Property	4.16%
Prologis	2.51%	Public Storage	2.54%
Public Storage	2.34%	Prologis	2.16%
Digital Realty Trust	1.87%	Welltower	2.04%
Welltower	1.84%	AvalonBay Communities	1.95%
AvalonBay Communities	1.83%	Unibail-Rodamco	1.80%
Unibail-Rodamco	1.80%	Ventas	1.78%
Sun Hung Kai Properties	1.78%	Equity Residential	1.76%
Equity Residential	1.74%	Sun Hung Kai Properties	1.62%
CK Asset	1.71%	Boston Properties	1.57%

Fund Holdings as at 20 October 2017



Fund Holdings as at 20 April 2017



Manager's Investment Report

During the period under review, the bid price of the Fund's I-Class accumulation units fell by 0.34%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 3pm. Therefore, for tracking purposes the Fund has been revalued using closing prices and foreign exchange rates. On this basis, over the review period, the Fund fell by 2.23% on a capital only basis, compared to the FTSE EPRA/NAREIT Developed Dividend Plus Index fall of 2.53% (Source: Bloomberg), producing a tracking difference of +0.30%.

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.

Market/Economic Review

Equity markets have made further gains over the review period, reflecting a steady improvement in global economic indicators and growing optimism amongst investors for earnings prospects over the second half of 2017. However, there has been a cooling of the so-called reflation trade that dominated markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors have favoured technology stocks in anticipation of an upturn in the semiconductor industry, while earnings announcements from the major technology companies have also been encouraging. In contrast, consumer staples and telecommunications, both being sectors more sensitive to bond markets, have underperformed. In the UK, mid cap stocks and smaller companies outperformed FTSE 100 constituents. Mainland European markets were strongest in Sterling terms. Corporate results in Europe have highlighted improving earnings momentum, while indicators suggest regional economic activity is regaining momentum with economic confidence in the Eurozone recording its highest level for more than a decade. In the French presidential election, centrist candidate Emmanuel Macron won the second round by a convincing majority, reinforcing the prevailing mood of optimism amongst investors. Returns from US and Japanese equities in Sterling terms have been diluted by weakness in the Dollar and the Yen respectively. More broadly, emerging markets have outperformed the World Index as concerns over the risk of a protectionist approach to US trade policy have abated in recent months.

Fund Review

Companies held within the Fund 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 result of a corporate action.

Manager's Investment Report continued

The June 2017 Index review had no additions and 2 deletions; the largest of these being Kerry Properties (Hong Kong). There were 268 changes to the free share capital of constituents, the largest increases were GCP Student Living, Colony Starwood Homes and W.P. Carey (all US), while the largest decreases were Henderson Land (Hong Kong), Simon Property Group (US) and Azrieli Group (Israel). The changes resulted in two-way Index turnover of approximately 2.9%.

A larger Index review in September 2017 saw 17 additions, the largest being Park Hotels & Resorts (US) and Derwent London (UK) and 5 deletions of which JBG Smith Properties (US) and UOL Group (Singapore) were the largest. There were 49 changes to the free share capital of constituents with Starwood Waypoint Homes (US) and Vonovia (Germany) being the largest increases and Cheung Kong Property (Hong Kong), Dream Office (Canada) and SL Green Realty (US) being the largest decreases. The changes resulted in two-way Index turnover of approximately 3.9%.

Outside the Index reviews, several mergers dominated corporate activity. Silver Bay Realty was deleted following a USD 1.38 billion cash takeover by non constituent Tricon Capital. Monogram Residential entered into a definitive merger agreement to be purchased for cash by a newly formed perpetual life fund called Greystar Growth and Income fund. Digital Realty Trust increased its weight in the Index after it purchased fellow constituent, Dupont Fabros Technology in an all stock merger. Likewise, Sabra Health Care increased its weight following a stock merger with Care Capital Properties.

Outlook

In the US, the market enthusiasm behind President Trump's proposed policies (tax cuts and infrastructure spending for example) may run out of steam if he can't deliver, or indeed if he does deliver what the market believes to be the wrong policies.

In Europe, although Macron's election win in France seems to have calmed nerves of a populist rising, the structural growth and inflation headwinds in Europe are not dead. In Asia, we are still worried about Chinese debt levels and likely slowing economic growth, even if carefully managed by the government. However, the global economic cycle remains supportive of risk assets and we do not see any immediate risk of a recession.

The Fund remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)
13 November 2017

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Information on Tracking Error

The 'Tracking Error' of a Fund is the measure of the volatility of the differences between the return of the Fund and the return of the benchmark Index. It provides an indication of how closely the Fund is tracking the performance of the benchmark Index after considering things such as Fund charges and taxation.

Using monthly returns, over the review period, the annualised Tracking Error of the Fund is 0.01%, whilst since launch on 25 January 2016 to the end of October 2017, the annualised Tracking Error of the Fund is 0.08%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

Minimum Investment Amounts

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

I-Class	£1,000,000
C-Class	£100,000,000
L-Class	£500,000

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.

L-Class is only available for investment to companies within the Legal & General Group.

Other Information

The information in this report is designed to enable unitholders to understand how the Fund 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 Fund 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**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
GRD1217

