

Legal & General Japan Index Trust  
**Annual Manager's Report**  
**for the year ended**  
**24 October 2018**





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

# Manager's Investment Report

## Investment Objective and Policy

The objective of the 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.

The Trust may hold derivatives for the purpose of Efficient Portfolio Management.

## Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units fell by 2.36%. 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 fell by 2.93% on a capital only basis compared with the FTSE World Japan Index fall of 2.92% (Source: Bloomberg), producing a tracking difference of -0.01%.

**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

The global economic background has improved over the past twelve months, driven increasingly by the strength of domestic demand in the major economies. Despite a rise in commodity prices, with the oil price (Brent Crude) recovering to over \$82 per barrel in September, its highest level since 2014, inflationary pressures worldwide have remained subdued by historical standards. Japan recorded eight consecutive quarters of growth as monetary policy has remained loose, although the economy contracted during the first quarter of 2018, before subsequently rebounding last quarter.

The return to the Sterling investor was impacted by 2.79% appreciation of Yen. At the start of the year £1 would have bought ¥149.49, whilst by the end of the year the amount had decreased to ¥145.33. The best performing sectors were Oil & Gas Producers (+36.12%), Health Care Equipment & Services (+18.29%) and Food & Drug Retailers (+16.96%); the worst performing sectors were Tobacco (-22.09%), Industrial Engineering (-17.72%) and Chemicals (-16.24%).

## 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

## Manager's Investment Report continued

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 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 0.33%.

At the semi-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 1.30%.

The quarterly Index review in June 2018 resulted in no additions and no deletions. There were 173 changes to the free share capital of constituents with the largest increases being Sysmex, Coca-Cola Bottlers Japan and Yaskawa Electric and the largest decreases being Toyota Motor, Denso and Tokio Marine. The two-way Index turnover was 0.69%.

At the semi-annual Index review in September 2018, there were fourteen additions to the Index, with the largest being TechnoPro, Nippon Gas and Fancl. There were three deletions including Mitsui Engineering & Shipbuilding, Japan Display and Colopl. There were 44 changes to the free share capital of constituents with the largest increases being Terumo, Unicharm and Hirose Electric and the largest decreases being Toyota Motor, Mitsubishi UFJ Financial and FamilyMart. The two-way Index turnover was 1.02%.

Outside of the Index reviews, there were several Index changes due to initial public offering (IPO) and merger and acquisition (M&A) activities. SG 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. Yahoo Japan increased its weight in the Index after secondary placing by Altaba (USA, non-constituent).

### Outlook

Japanese stocks underperformed global equities by 1.6% over the review year, with investors adopting a cautious approach as the Yen strengthened against the major currencies at the end of October. According to the OECD, the economic growth is projected to reach 1.25 per cent in 2018 and 2019, supported by exports, business investment and private consumption. Trade wars continue to occupy markets' attention. Although there has yet to be any major fall-out, LGIM economists do anticipate some damage to growth over the next year, and have slightly revised down GDP forecasts for major economies.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited  
(Investment Adviser)  
15 November 2018

## Authorised Status

### Authorised Status

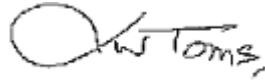
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
12 December 2018

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net income and net gains or losses on the property of the Trust for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- 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; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

## 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 2018**

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 SE  
UK Trustee and Depositary Services  
12 December 2018

## Portfolio Statement

### Portfolio Statement as at 24 October 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 24 October 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>JAPAN — 97.36% (98.82%)</b>			
<b>Oil &amp; Gas Producers</b>			
<b>— 1.22% (0.89%)</b>			
28,365	Cosmo Energy	817,871	0.07
63,424	Idemitsu Kosan	2,179,684	0.17
399,900	Inpex	3,663,966	0.29
13,555	Japan Petroleum Exploration	225,468	0.02
1,367,414	JXTG	7,170,303	0.57
82,823	Showa Shell Sekiyu	1,200,028	0.10
		<b>15,257,320</b>	<b>1.22</b>
<b>Chemicals — 4.41% (4.98%)</b>			
67,478	Air Water	854,786	0.07
540,500	Asahi Kasei	5,074,769	0.41
127,380	Daicel	1,092,662	0.09
37,814	Denka	973,362	0.08
35,074	DIC	794,348	0.06
42,621	Hitachi Chemical	530,239	0.04
81,138	JSR	980,422	0.08
24,904	Kaneka	827,615	0.07
83,525	Kansai Paint	963,911	0.08
156,064	Kuraray	1,669,099	0.13
556,860	Mitsubishi Chemical	3,408,777	0.27
80,100	Mitsubishi Gas Chemical	1,054,317	0.08
77,440	Mitsui Chemicals	1,363,686	0.11
48,848	Nagase & Company	588,571	0.05
74,504	Nippon Kayaku	653,432	0.05
66,814	Nippon Paint	1,653,255	0.13
13,800	Nippon Shokubai	723,725	0.06
60,648	Nissan Chemical Industries	2,430,272	0.19
68,250	Nitto Denko	3,433,399	0.27
29,800	NOF	674,903	0.05
176,926	Shin-Etsu Chemical	10,246,676	0.82
63,197	Showa Denko	2,189,258	0.18
26,600	Sumitomo Bakelite	735,898	0.06
660,000	Sumitomo Chemical	2,567,617	0.21
63,500	Taiyo Nippon Sanso	769,041	0.06
77,268	Teijin	1,050,499	0.08
85,600	Tokai Carbon	1,061,403	0.09
30,100	Tokuyama	554,668	0.04
653,365	Toray Industries	3,607,028	0.29
125,847	Tosoh	1,317,385	0.11
45,676	UBE Industries	768,545	0.06
65,800	Zeon	494,329	0.04
		<b>55,107,897</b>	<b>4.41</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Forestry &amp; Paper — 0.20% (0.17%)</b>			
41,072	Nippon Paper Industries	541,457	0.04
385,000	Oji	1,979,394	0.16
		<hr/>	<hr/>
		2,520,851	0.20
<b>Industrial Metals &amp; Mining — 1.21% (1.42%)</b>			
15,492	Daido Steel	476,508	0.04
19,700	Dowa	452,254	0.03
87,000	Hitachi Metals	770,203	0.06
223,226	JFE	3,583,394	0.29
125,886	Kobe Steel	854,878	0.07
26,473	Maruichi Steel Tube	587,727	0.05
24,100	Mitsui Mining & Smelting	507,712	0.04
338,394	Nippon Steel & Sumitomo Metal	4,957,673	0.40
18,528	Nisshin Steel	192,171	0.01
101,700	Sumitomo Metal Mining	2,501,101	0.20
14,727	Yamato Kogyo	298,712	0.02
		<hr/>	<hr/>
		15,182,333	1.21
<b>Construction &amp; Materials — 2.72% (2.91%)</b>			
22,594	Aica Kogyo	620,412	0.05
80,881	Asahi Glass	2,290,412	0.18
44,500	COMSYS	974,180	0.08
114,600	Daikin Industries	10,409,304	0.83
117,000	Haseko	1,127,467	0.09
196,413	Kajima	2,037,175	0.16
44,647	Kandenko	336,949	0.03
55,700	Kinden	678,022	0.05
38,300	Kyowa Exeo	820,024	0.07
112,421	Lixil Group	1,380,835	0.11
59,100	Maeda	557,329	0.05
25,000	Maeda Road Construction	359,477	0.03
23,000	Nippo	295,308	0.02
289,486	Obayashi	1,983,776	0.16
120,700	Penta-Ocean Construction	595,664	0.05
87,200	Sanwa	780,364	0.06
246,710	Shimizu	1,619,422	0.13
16,225	Sumitomo Osaka Cement	478,420	0.04
52,710	Taiheiyō Cement	1,168,403	0.09
93,200	Taisei	3,081,278	0.25
99,949	Toda	528,293	0.04
62,885	Toto	1,824,019	0.15
		<hr/>	<hr/>
		33,946,533	2.72
<b>General Industrials — 1.21% (1.01%)</b>			
10,600	FP	427,675	0.03
56,403	IHI	1,649,574	0.13
20,900	LINTEC	387,577	0.03
54,000	Mitsubishi Materials	1,195,142	0.10
92,530	Rengo	601,014	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>General Industrials — (cont.)</b>			
544,800	Sojitz	1,441,676	0.12
252,100	Toshiba	5,640,190	0.45
67,200	Toyo Seikan Group	1,056,344	0.09
97,543	Toyota Tsusho	2,678,445	0.21
		<hr/>	
		15,077,637	1.21
		<hr/>	
<b>Electronic &amp; Electrical Equipment — 6.18% (6.89%)</b>			
80,139	Alps Electric	1,455,831	0.12
57,324	Azbil	827,419	0.07
54,732	Fuji Electric	1,401,310	0.11
124,800	Fujikura	410,885	0.03
26,900	Furukawa Electric	563,926	0.04
55,740	Hamamatsu Photonics	1,509,500	0.12
13,957	Hirose Electric	1,007,283	0.08
400,943	Hitachi	9,099,744	0.73
17,000	Horiba	599,427	0.05
158,631	Hoya	6,833,098	0.55
46,912	Ibiden	447,874	0.04
19,000	Japan Aviation Electronics Industry	221,879	0.02
38,888	Keyence	14,444,444	1.16
134,700	Kyocera	5,565,244	0.44
22,296	Mabuchi Motor	609,164	0.05
180,901	Minebea Mitsumi	2,159,786	0.17
82,281	Murata Manufacturing	9,074,217	0.73
115,840	NGK Insulators	1,301,010	0.10
101,416	Nidec	9,954,159	0.80
36,142	Nippon Electric Glass	761,399	0.06
83,969	Omron	2,562,547	0.20
48,130	Taiyo Yuden	767,823	0.06
51,600	TDK	3,489,914	0.28
50,771	Ushio	479,482	0.04
104,805	Yokogawa Electric	1,669,803	0.13
		<hr/>	
		77,217,168	6.18
		<hr/>	
<b>Industrial Engineering — 5.72% (6.82%)</b>			
139,496	Amada	1,018,254	0.08
66,851	Chiyoda	349,214	0.03
41,893	Daifuku	1,369,184	0.11
11,800	Disco	1,429,895	0.11
43,506	DMG Mori Seiki	493,105	0.04
43,700	Ebara	974,689	0.08
83,905	Fanuc	10,873,873	0.87
117,190	Hino Motors	877,179	0.07
46,200	Hitachi Construction Machinery	1,006,633	0.08
22,714	Hoshizaki	1,707,972	0.14
237,585	Isuzu Motors	2,456,864	0.20
26,480	Japan Steel Works	436,635	0.03
93,359	JGC	1,504,766	0.12
63,322	Kawasaki Heavy Industries	1,194,722	0.10

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Industrial Engineering — (cont.)</b>			
398,300	Komatsu	7,618,920	0.61
483,668	Kubota	6,103,654	0.49
46,851	Kurita Water Industries	890,397	0.07
17,079	Kyudenko	480,126	0.04
120,588	Misumi	1,942,816	0.16
855,031	Mitsubishi Electric	7,986,771	0.64
125,300	Mitsubishi Heavy Industries	3,519,000	0.28
42,800	Miura	846,651	0.07
49,833	Nabtesco	846,711	0.07
185,200	NTN	528,274	0.04
13,260	Okuma	515,858	0.04
32,700	OSG	517,396	0.04
13,300	Shima Seiki Manufacturing	404,515	0.03
115,281	Shimadzu	2,404,841	0.19
25,049	SMC	5,662,708	0.45
48,980	Sumitomo Heavy Industries	1,168,203	0.09
50,400	Tadano	377,942	0.03
49,528	THK	818,040	0.07
12,500	Toshiba Plant Systems & Services	191,767	0.01
21,100	Ulvac	523,552	0.04
112,900	Yaskawa Electric	2,459,932	0.20
		<b>71,501,059</b>	<b>5.72</b>
<b>Industrial Transportation — 0.95% (0.85%)</b>			
14,247	Fukuyama Transporting	424,505	0.03
18,300	Hitachi Transport System	355,210	0.03
19,700	Japan Airport Terminal	601,877	0.05
43,808	Kamigumi	696,465	0.06
35,726	Kawasaki Kisen Kaisha	393,139	0.03
29,192	Mitsubishi Logistics	557,599	0.04
48,058	Mitsui O.S.K. Lines	893,517	0.07
31,967	Nippon Express	1,458,948	0.12
69,760	Nippon Yusen	881,776	0.07
21,200	Sankyu	842,236	0.07
64,252	Seino	683,198	0.05
35,100	SG	673,585	0.05
154,585	Yamato	3,453,191	0.28
		<b>11,915,246</b>	<b>0.95</b>
<b>Support Services — 5.07% (4.39%)</b>			
8,900	ASKUL	188,719	0.01
11,000	Benefit One	248,369	0.02
23,630	GLORY	423,261	0.03
14,400	GMO Payment Gateway	625,532	0.05
610,865	Itochu	8,691,315	0.70
674,700	Marubeni	4,235,860	0.34
557,385	Mitsubishi	12,558,394	1.00
732,154	Mitsui	9,506,142	0.76
50,000	Monotaro	988,391	0.08

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Support Services — (cont.)</b>		
72,200	Persol	1,136,926	0.09
517,991	Recruit	11,357,501	0.91
83,533	Secom	5,355,703	0.43
29,055	Sohgo Security Services	976,562	0.08
483,696	Sumitomo	5,734,975	0.46
16,290	Toppan Forms	112,415	0.01
114,189	Toppan Printing	1,243,218	0.10
		<hr/>	
		63,383,283	5.07
	<b>Automobiles &amp; Parts — 10.13% (11.49%)</b>		
75,380	Aisin Seiki	2,360,013	0.19
265,743	Bridgestone	7,700,738	0.62
197,291	Denso	6,934,863	0.55
12,550	EXEDY	273,878	0.02
32,694	GS Yuasa	534,822	0.04
762,876	Honda Motor	15,824,977	1.27
98,281	JTEKT	1,009,905	0.08
49,300	Koito Manufacturing	2,012,812	0.16
246,341	Mazda Motor	2,111,412	0.17
275,570	Mitsubishi Motors	1,322,079	0.11
85,536	NGK Spark Plug	1,614,431	0.13
68,674	NHK Spring	498,455	0.04
36,000	Nifco	643,595	0.05
831,825	Nissan Motor	5,706,580	0.46
30,700	Nissan Shatai	193,076	0.02
48,400	NOK	526,619	0.04
195,900	NSK	1,555,200	0.12
64,597	Stanley Electric	1,582,857	0.13
264,124	Subaru	5,458,976	0.44
328,600	Sumitomo Electric Industries	3,516,625	0.28
78,337	Sumitomo Rubber Industries	848,581	0.07
177,400	Suzuki Motor	6,789,265	0.54
20,690	Tokai Rika	312,862	0.02
44,300	Toyo Tire & Rubber	562,089	0.04
32,114	Toyoda Gosei	576,551	0.05
26,497	Toyota Boshoku	371,897	0.03
70,082	Toyota Industries	2,764,956	0.22
1,097,268	Toyota Motor	49,595,744	3.97
22,300	TS Tech	492,017	0.04
120,232	Yamaha Motor	2,208,965	0.18
45,650	Yokohama Rubber	679,625	0.05
		<hr/>	
		126,584,465	10.13
	<b>Beverages — 1.44% (1.45%)</b>		
166,781	Asahi Group	5,539,153	0.44
60,375	Coca-Cola Bottlers Japan	1,215,061	0.10
25,500	Ito En	868,468	0.07
34,800	Kagome	731,932	0.06
361,873	Kirin	6,643,546	0.53

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Beverages — (cont.)</b>		
28,567	Sapporo	432,563	0.03
55,800	Suntory Beverage & Food	1,691,386	0.14
77,635	Takara	897,539	0.07
		<b>18,019,648</b>	<b>1.44</b>
	<b>Food Producers — 2.08% (2.03%)</b>		
221,729	Ajinomoto	2,815,638	0.23
7,800	Ariake Japan	538,268	0.04
32,400	Calbee	795,029	0.06
22,218	Ezaki Gilco	871,989	0.07
19,700	Fuji Oil	461,056	0.04
31,794	House Foods	711,322	0.06
58,594	Itoham Yonekyu	290,777	0.02
47,771	Kewpie	843,526	0.07
78,026	Kikkoman	3,561,044	0.28
13,900	Maruha Nichiro	385,026	0.03
18,100	Megmilk Snow Brand	333,414	0.03
57,600	MEIJI	2,973,256	0.24
6,100	Mitsubishi Shokuhin	117,146	0.01
17,400	Morinaga & Co	526,823	0.04
17,700	Morinaga Milk Industry	360,231	0.03
44,960	NH Foods	1,259,284	0.10
45,219	Nichirei	860,314	0.07
110,340	Nissin Seifun	1,784,534	0.14
30,038	Nissin Foods	1,509,240	0.12
39,414	Toyo Suisan Kaisha	1,125,619	0.09
53,411	Yakult Honsha	3,146,164	0.25
53,532	Yamazaki Baking	759,071	0.06
		<b>26,028,771</b>	<b>2.08</b>
	<b>Household Goods &amp; Home Construction — 1.41% (1.57%)</b>		
280,582	Daiwa House Industry	6,381,554	0.51
24,400	Fujitsu General	275,716	0.02
37,200	Kokuyo	453,593	0.04
105,900	Makita	3,373,771	0.27
10,678	Pilot	466,785	0.04
15,651	Rinnai	884,268	0.07
25,298	Sanrio	414,362	0.03
157,301	Sekisui Chemical	1,874,781	0.15
252,400	Sekisui House	2,816,511	0.23
57,250	Sumitomo Forestry	664,229	0.05
		<b>17,605,570</b>	<b>1.41</b>
	<b>Leisure Goods — 4.79% (4.56%)</b>		
83,700	Bandai Namco	2,350,106	0.19
93,510	Casio Computer	1,070,144	0.09
17,700	Daiichikosho	646,008	0.05
161,600	GungHo Online Entertainment	234,366	0.02
40,600	Konami	1,241,812	0.10
177,400	Nexon	1,603,427	0.13

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Leisure Goods — (cont.)</b>			
151,700	Nikon	2,111,449	0.17
46,491	Nintendo	11,868,086	0.95
920,646	Panasonic	7,694,779	0.61
85,300	Sega Sammy	864,204	0.07
62,995	Sharp	794,966	0.06
34,055	Shimano	3,555,564	0.28
547,227	Sony	23,338,836	1.87
70,728	Yamaha	2,552,234	0.20
		<b>59,925,981</b>	<b>4.79</b>
<b>Personal Goods — 2.63% (2.15%)</b>			
11,050	ABC-Mart	495,959	0.04
74,800	Asics	877,617	0.07
9,500	Ciz	293,837	0.02
116,547	Citizen Watch	532,712	0.04
15,600	Fancl	484,655	0.04
208,036	Kao	10,771,504	0.86
12,500	Kose	1,489,804	0.12
107,525	Lion	1,529,853	0.12
59,195	Nisshinbo	525,268	0.04
6,600	Noevir	221,604	0.02
13,850	Paltac	492,164	0.04
46,900	Pigeon	1,627,924	0.13
31,700	Pola Orbis	709,219	0.06
168,500	Shiseido	8,183,582	0.66
38,900	Toyobo	439,563	0.04
167,718	Unicharm	3,604,769	0.29
25,982	Wacoal	549,146	0.04
		<b>32,829,180</b>	<b>2.63</b>
<b>Tobacco — 0.84% (1.07%)</b>			
517,700	Japan Tobacco	10,466,872	0.84
<b>Health Care Equipment &amp; Services — 1.37% (1.07%)</b>			
43,400	Asahi Intecc	1,566,098	0.13
33,300	Nihon Kohden	799,947	0.06
51,957	Nipro	508,896	0.04
122,800	Olympus	3,333,998	0.27
81,888	Sysmex	4,575,944	0.37
134,970	Terumo	5,761,012	0.46
45,865	Topcon	553,889	0.04
		<b>17,099,784</b>	<b>1.37</b>
<b>Pharmaceuticals &amp; Biotechnology — 6.28% (5.54%)</b>			
77,528	Alfresa	1,554,408	0.12
856,050	Astellas Pharmaceutical	10,673,487	0.85
94,746	Chugai Pharmaceutical	4,330,643	0.35
274,400	Daiichi Sankyo	8,523,076	0.68
113,666	Eisai	7,788,468	0.62
31,400	Hisamitsu Pharmaceutical	1,407,172	0.11



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Pharmaceuticals &amp; Biotechnology — (cont.)</b>		
15,600	Kaken Pharmaceutical	627,264	0.05
13,300	Kissei Pharmaceutical	300,301	0.02
26,818	Kobayashi Pharmaceutical	1,343,766	0.11
19,500	Kyorin	334,139	0.03
108,400	Kyowa Hakko Kirin	1,519,950	0.12
68,287	Medipal	1,086,573	0.09
22,900	Miraca	441,350	0.03
96,318	Mitsubishi Tanabe Pharmaceutical	1,129,422	0.09
5,621	Mochida Pharmaceutical	345,399	0.03
22,400	Nippon Shinyaku	1,033,095	0.08
189,855	Ono Pharmaceutical	3,443,095	0.27
180,300	Otsuka	6,723,035	0.54
36,800	PeptiDream	1,106,613	0.09
41,500	Rohto Pharmaceutical	1,022,603	0.08
154,905	Santen Pharmaceutical	1,821,736	0.15
16,004	Sawai Pharmaceutical	654,509	0.05
122,014	Shionogi	6,011,427	0.48
71,335	Sumitomo Dainippon Pharmaceutical	1,237,057	0.10
34,709	Suzuken	1,233,396	0.10
18,569	Taisho Pharmaceutical	1,580,080	0.13
16,700	Takara Bio	327,253	0.03
330,231	Takeda Pharmaceutical	10,229,992	0.82
28,694	Tsumura	698,175	0.06
		<b>78,527,484</b>	<b>6.28</b>
	<b>Food &amp; Drug Retailers — 0.77% (0.67%)</b>		
11,871	Ain	731,081	0.06
3,800	Cosmos Pharmaceutical	597,337	0.05
24,934	FamilyMart	2,286,218	0.18
6,900	Kusuri no Aoki	386,998	0.03
20,797	Lawson	997,760	0.08
34,500	Matsumotokiyoshi	903,471	0.07
15,500	Sugi	543,340	0.04
28,296	Sundrug	770,176	0.06
15,700	Tsuruha	1,260,412	0.10
21,500	Welcia	868,932	0.07
7,700	Yaoko	329,193	0.03
		<b>9,674,918</b>	<b>0.77</b>
	<b>General Retailers — 4.10% (3.74%)</b>		
301,900	Aeon	5,414,898	0.43
19,249	Aoyama Trading	454,470	0.04
25,887	Autobacs Seven	345,008	0.03
30,577	Benesse	646,264	0.05
65,755	Bic Camera	669,803	0.05
48,000	DeNA	640,378	0.05
49,858	Don Quijote	2,364,579	0.19
22,138	Fast Retailing	8,708,273	0.70

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>General Retailers — (cont.)</b>		
40,843	GREE	134,189	0.01
37,435	H2O Retailing	434,330	0.03
154,977	Isetan Mitsukoshi	1,351,757	0.11
17,642	Izumi	714,222	0.06
106,670	J Front Retailing	1,073,379	0.09
58,028	Kakaku.com	845,957	0.07
12,275	Komeri	209,408	0.02
80,400	K's	806,824	0.06
92,251	Marui	1,562,362	0.12
31,962	Nitori	3,168,981	0.25
46,363	Park24	1,018,151	0.08
344,601	Rakuten	1,820,957	0.15
10,066	Ryohin Keikaku	2,082,540	0.17
334,326	Seven & I	11,046,232	0.88
19,100	Shimachu	394,501	0.03
9,524	Shimamura	604,869	0.05
76,400	Start Today	1,564,875	0.13
63,920	Takashimaya	751,282	0.06
94,000	USS	1,285,733	0.10
306,420	Yamada Denki	1,105,723	0.09
		<b>51,219,945</b>	<b>4.10</b>
	<b>Media — 1.00% (0.90%)</b>		
128,044	Dai Nippon Printing	2,248,640	0.18
95,900	Dentsu	3,678,093	0.29
20,600	Fuji Media	272,422	0.02
103,310	Hakuhodo DY	1,378,281	0.11
172,800	M3	2,579,725	0.21
21,100	Nippon Television	269,317	0.02
4,400	Shochiku	339,930	0.03
51,600	SKY Perfect JSAT	184,072	0.01
49,406	Toho	1,234,395	0.10
15,003	Tokyo Broadcasting System	222,329	0.02
8,700	TV Asahi	128,806	0.01
		<b>12,536,010</b>	<b>1.00</b>
	<b>Travel &amp; Leisure — 4.99% (4.90%)</b>		
47,796	All Nippon Airways	1,187,270	0.09
78,100	Central Japan Railway	11,600,473	0.93
159,071	East Japan Railway	10,462,307	0.84
97,537	Hankyu Hanshin	2,453,694	0.20
23,627	Heiwa	415,087	0.03
13,500	HIS	327,087	0.03
51,200	Japan Airlines	1,346,081	0.11
41,927	Keihan	1,221,883	0.10
108,487	Keikyū	1,260,931	0.10
49,319	Keio	2,044,097	0.16
60,766	Keisei Electric Railway	1,461,836	0.12
77,138	Kintetsu Group	2,245,389	0.18
8,800	Kyoritsu Maintenance	289,726	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Travel &amp; Leisure — (cont.)</b>		
70,000	Kyushu Railway	1,633,457	0.13
81,358	Nagoya Railroad	1,504,258	0.12
46,700	Nankai Electric Railway	880,787	0.07
32,846	Nishi-Nippon Railroad	637,103	0.05
129,563	Odakyu Electric Railway	2,233,461	0.18
81,600	Oriental Land	5,905,932	0.47
28,600	Resorttrust	331,235	0.03
22,100	Sankyo	642,544	0.05
94,200	Seibu	1,339,619	0.11
83,100	Skylark	974,428	0.08
33,733	Sotetsu	799,915	0.06
89,410	Tabu Railway	1,911,245	0.15
215,777	Tokyu	2,730,416	0.22
78,752	West Japan Railway	4,019,092	0.32
38,300	Zensho	562,039	0.04
		<b>62,421,392</b>	<b>4.99</b>
	<b>Fixed Line Telecommunications — 0.75% (0.82%)</b>		
283,170	Nippon Telegraph & Telephone	9,431,929	0.75
	<b>Mobile Telecommunications — 4.08% (4.19%)</b>		
9,637	Hikari Tsushin	1,326,099	0.11
770,354	KDDI	15,506,203	1.24
544,132	NTT DoCoMo	10,862,894	0.87
368,569	SoftBank Group	23,316,604	1.86
		<b>51,011,800</b>	<b>4.08</b>
	<b>Electricity — 1.43% (1.29%)</b>		
303,500	Chubu Electric Power	3,404,464	0.27
123,717	Chugoku Electric Power	1,215,154	0.10
71,400	Electric Power Development	1,504,176	0.12
76,887	Hokkaido Electric Power	358,305	0.03
75,098	Hokuriku Electric Power	553,341	0.05
313,500	Kansai Electric Power	3,638,384	0.29
197,800	Kyushu Electric Power	1,793,250	0.14
65,685	Shikoku Electric Power	653,288	0.05
205,700	Tohoku Electric Power	2,071,294	0.17
675,400	Tokyo Electric Power	2,669,309	0.21
		<b>17,860,965</b>	<b>1.43</b>
	<b>Gas, Water &amp; Multi-utilities — 0.62% (0.56%)</b>		
16,900	Nippon Gas	507,619	0.04
172,744	Osaka Gas	2,514,773	0.20
39,902	Toho Gas	1,161,497	0.10
185,720	Tokyo Gas	3,513,629	0.28
		<b>7,697,518</b>	<b>0.62</b>
	<b>Banks — 6.85% (7.50%)</b>		
31,050	77 Bank	496,624	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Banks — (cont.)</b>		
51,023	Aozora Bank	1,325,646	0.11
16,790	Awa Bank	341,258	0.03
30,929	Bank of Kyoto	1,075,688	0.09
280,272	Chiba Bank	1,377,386	0.11
75,022	Chugoku Bank	529,061	0.04
500,900	Concordia Financial Group	1,745,536	0.14
63,552	Fukuoka Financial	1,243,609	0.10
187,300	Gunma Bank	669,439	0.05
184,762	Hachijuni Bank	601,951	0.05
124,874	Hiroshima Bank	600,814	0.05
55,899	Hokuhoku Financial	542,127	0.04
119,549	Iyo Bank	536,573	0.04
175,380	Japan Post Bank	1,563,471	0.13
65,200	Kansai Mirai Financial	412,741	0.03
51,194	Keiyo Bank	288,535	0.02
170,288	Kyushu Financial	582,886	0.05
436,500	Mebuki Financial	1,056,080	0.08
5,484,660	Mitsubishi UFJ Financial	25,016,467	2.00
10,979,641	Mizuho Financial	14,338,761	1.15
67,548	Nishi-Nippon Financial	503,282	0.04
123,600	North Pacific Bank	289,696	0.02
947,859	Resona	3,831,465	0.31
64,602	San-In Godo Bank	377,873	0.03
288,500	Seven Bank	686,107	0.06
22,000	Shiga Bank	397,240	0.03
70,141	Shinsei Bank	806,080	0.06
222,331	Shizuoka Bank	1,486,903	0.12
573,469	Sumitomo Mitsui Financial	16,960,990	1.36
161,500	Sumitomo Mitsui Trust	4,903,089	0.39
76,070	Suruga Bank	265,089	0.02
97,140	Yamaguchi Financial	778,514	0.06
		<b>85,630,981</b>	<b>6.85</b>
	<b>Nonlife Insurance — 1.64% (1.59%)</b>		
216,229	MS&AD Insurance Group	5,145,302	0.41
153,014	Sompo	4,836,871	0.39
292,100	Tokio Marine	10,538,481	0.84
		<b>20,520,654</b>	<b>1.64</b>
	<b>Life Insurance — 1.41% (1.31%)</b>		
479,994	Dai-ichi Life	7,395,107	0.59
573,505	Japan Post	5,301,874	0.43
28,700	Japan Post Insurance	534,787	0.04
74,900	Sony Financial	1,277,772	0.10
247,779	T&D	3,143,881	0.25
		<b>17,653,421</b>	<b>1.41</b>
	<b>Real Estate Investment &amp; Services — 2.34% (2.43%)</b>		
50,564	AEON Mall	695,438	0.06
12,900	Daikyo	206,150	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Real Estate Investment &amp; Services — (cont.)</b>		
30,779	Daito Trust Construction	3,131,022	0.25
154,886	Hulic	1,051,814	0.08
60,600	Iida Group	828,054	0.07
100,300	Leopalace21	368,829	0.03
514,015	Mitsubishi Estate	6,414,192	0.51
407,788	Mitsui Fudosan	7,148,743	0.57
50,900	Nomura Real Estate	757,785	0.06
47,800	NTT Urban Development	550,974	0.04
13,100	Open House	444,803	0.04
43,900	Relo	850,005	0.07
186,205	Sumitomo Realty & Development	5,059,272	0.40
90,015	Tokyo Tatemono	726,362	0.06
227,627	Tokyu Fudosan	1,009,144	0.08
		<b>29,242,587</b>	<b>2.34</b>
	<b>Financial Services — 2.30% (2.29%)</b>		
163,660	Acom	472,456	0.04
50,034	AEON Financial Service	754,178	0.06
125,300	Aiful	271,289	0.02
38,100	Aplus Financial	26,711	—
68,944	Credit Saison	830,234	0.07
13,544	Daishi Hokuetsu Financial	380,285	0.03
691,028	Daiwa Securities	3,159,496	0.25
6,900	Fuyo General Lease	296,888	0.02
18,600	Hitachi Capital	361,161	0.03
90,100	Ichigo	225,422	0.02
13,700	JAFCO	388,902	0.03
235,024	Japan Exchange	3,061,197	0.25
44,645	Matsui Securities	368,848	0.03
189,440	Mitsubishi UFJ Lease & Finance	768,234	0.06
54,400	Nihon M&A Center	1,101,917	0.09
1,455,200	Nomura	5,412,154	0.43
248,100	Orient	295,014	0.02
555,500	Orix	6,761,959	0.54
92,990	SBI	1,946,227	0.16
95,200	Tokai Tokyo Financial	395,224	0.03
19,800	Tokyo Century	836,971	0.07
21,400	Zenkoku Hoshō	613,366	0.05
		<b>28,728,133</b>	<b>2.30</b>
	<b>Software &amp; Computer Services — 1.72% (1.32%)</b>		
40,170	Capcom	696,885	0.05
41,598	CyberAgent	1,569,693	0.12
24,100	GMO internet	277,130	0.02
42,688	Itochu Techno-Solutions	655,772	0.05
25,440	Koei Tecmo	331,182	0.03
22,509	LINE	611,889	0.05
24,500	Nihon Unisys	449,622	0.04
44,899	Nomura Research Institute	1,598,587	0.13

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Software &amp; Computer Services</b>		
	<b>— (cont.)</b>		
14,352	NS Solutions	332,439	0.03
275,700	NTT Data	2,861,433	0.23
29,100	OBIC	1,952,148	0.16
3,200	OBIC Business Consultants	211,810	0.02
13,974	Oracle Japan	761,665	0.06
44,086	Otsuka Corporation	1,142,383	0.09
18,500	SCSK	618,621	0.05
33,768	Square Enix	973,660	0.08
13,800	TechnoPro	567,218	0.04
34,600	TIS	1,236,657	0.10
48,795	Trend Micro	2,267,211	0.18
907,400	Yahoo! Japan	2,332,600	0.19
		<b>21,448,605</b>	<b>1.72</b>
	<b>Technology Hardware &amp; Equipment</b>		
	<b>— 3.50% (4.05%)</b>		
77,085	Advantest	1,110,002	0.09
100,434	Brother Industries	1,433,795	0.11
444,538	Canon	10,684,997	0.85
19,800	Canon Marketing Japan	297,635	0.02
164,508	Fujifilm	5,687,546	0.46
84,143	Fujitsu	4,298,279	0.34
28,140	Hitachi High-Technologies	685,662	0.06
196,203	Konica Minolta	1,580,532	0.13
109,164	NEC	2,389,785	0.19
304,100	Renesas Electronics	1,266,657	0.10
296,498	Ricoh	2,502,592	0.20
38,658	Rohm	1,849,347	0.15
16,500	SCREEN	700,878	0.06
117,212	Seiko Epson	1,531,525	0.12
99,358	Sumco	947,216	0.08
67,385	Tokyo Electron	6,780,695	0.54
		<b>43,747,143</b>	<b>3.50</b>
	<b>FUTURES CONTRACTS</b>		
	<b>— -0.13% (0.00%)</b>		
240	OSE TOPIX Future Expiry December 2018	(1,700,507)	(0.13)
<b>Portfolio of investments<sup>1,2</sup></b>		<b>1,215,322,576</b>	<b>97.23</b>
<b>Net other assets</b>		<b>34,681,296</b>	<b>2.77</b>
<b>Total net assets</b>		<b>£1,250,003,872</b>	<b>100.00%</b>

<sup>1</sup> All investments are admitted to an official stock exchange unless otherwise stated.

<sup>2</sup> Including investment liabilities.

Total purchases for the year: £109,409,963.

Total sales for the year: £123,921,401.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Japan Index Trust ('the Trust')

### **Opinion**

We have audited the financial statements of the Trust for the year ended 24 October 2018 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Table for the Trust and the accounting policies set out on pages 25 to 26.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 24 October 2018 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

## Independent Auditor's Report continued

### ***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

### ***Manager's responsibilities***

As explained more fully in their statement set out on page 5, the Manager is responsible for: the preparation of financial statements that give a true and fair view; 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; 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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities***

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### ***The purpose of our audit work and to whom we owe our responsibilities***

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
12 December 2018



## Financial Statements

### Statement of Total Return for the year ended 24 October 2018

Notes	24/10/18		24/10/17	
	£	£	£	£
<b>Income</b>				
Net capital (losses)/ gains	3	(35,129,383)		102,327,252
Revenue	4	27,684,581	24,185,664	
Expenses	5	(4,568,527)	(5,435,862)	
Interest payable and similar charges	7	(39,696)	(19,094)	
<b>Net revenue before taxation</b>		<u>23,076,358</u>	<u>18,730,708</u>	
Taxation	6	(2,741,011)	(2,409,642)	
<b>Net revenue after taxation for the year</b>		<u>20,335,347</u>	<u>16,321,066</u>	
<b>Total return before distributions</b>		<u>(14,794,036)</u>	<u>118,648,318</u>	
Distributions	7	(20,338,072)	(16,322,044)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£(35,132,108)</b></u>	<u><b>£102,326,274</b></u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 24 October 2018

	24/10/18		24/10/17	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		1,279,228,723		1,186,925,409
<b>Amounts received on issue of units</b>		342,062,892	289,748,482	
<b>Amounts paid on cancellation of units</b>		(343,801,864)	(225,397,867)	
<b>Amounts paid on in-specie transactions</b>		—	(80,599,733)	
		<u>(1,738,972)</u>	<u>(16,249,118)</u>	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>(35,132,108)</u>	<u>102,326,274</u>	
<b>Retained distributions on accumulation units</b>		7,645,753	6,225,154	
<b>Unclaimed distributions</b>		<u>476</u>	<u>1,004</u>	
<b>Closing net assets attributable to Unitholders</b>		<u><b>£1,250,003,872</b></u>	<u><b>£1,279,228,723</b></u>	

## Financial Statements continued

### Balance Sheet as at 24 October 2018

	Notes	24/10/18 £	24/10/17 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		1,217,023,083	1,264,171,559
<b>Current assets:</b>			
Debtors	8	11,567,317	25,326,133
Cash and bank balances	9	<u>38,255,708</u>	<u>7,312,357</u>
<b>Total assets</b>		<b><u>1,266,846,108</u></b>	<b><u>1,296,810,049</u></b>
<b>LIABILITIES</b>			
Investment liabilities		(1,700,507)	—
<b>Creditors:</b>			
Bank overdrafts	9	(11,352)	(1,177,583)
Distributions payable		(12,699,627)	(9,536,632)
Other creditors	10	<u>(2,430,750)</u>	<u>(6,867,111)</u>
<b>Total liabilities</b>		<b><u>(16,842,236)</u></b>	<b><u>(17,581,326)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£1,250,003,872</u></b>	<b><u>£1,279,228,723</u></b>

# 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 Management 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 2018, 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 on the last working day of the accounting year.

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 2018, 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 (losses)/gains

	24/10/18	24/10/17
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(32,616,746)	102,583,529
Derivative securities	(1,868,280)	1,176,982
Forward currency contracts	138,769	171,069
Currency losses	<u>(783,126)</u>	<u>(1,604,328)</u>
Net capital (losses)/gains	<u>(35,129,383)</u>	<u>102,327,252</u>

### 4. Revenue

	24/10/18	24/10/17
	£	£
Non-taxable overseas dividends	27,409,072	24,068,087
Futures revenue	268,292	117,429
Bank interest	<u>7,217</u>	<u>148</u>
	<u>27,684,581</u>	<u>24,185,664</u>

### 5. Expenses

	24/10/18	24/10/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>4,568,527</u>	<u>5,435,862</u>
Total expenses	<u>4,568,527</u>	<u>5,435,862</u>

Audit fees of £8,900 plus VAT of £1,780 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,970 plus VAT of £1,794.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	24/10/18	24/10/17
	£	£
Overseas tax	2,741,011	2,409,642
Current tax [note 6(b)]	2,741,011	2,409,642
Deferred tax [note 6(c)]	—	—
Total taxation	<u>2,741,011</u>	<u>2,409,642</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>23,076,358</u>	<u>18,730,708</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	4,615,272	3,746,142
<b>Effects of:</b>		
Overseas tax	2,741,011	2,409,642
Revenue not subject to taxation	(5,481,815)	(4,813,617)
Excess management expenses not utilised	<u>866,543</u>	<u>1,067,475</u>
Current tax	<u>2,741,011</u>	<u>2,409,642</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 £5,916,616 (24 October 2017: £5,050,073) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilize this amounts and therefore no deferred tax asset has been recognized (24 October 2017: 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:

	24/10/18	24/10/17
	£	£
Final distribution	20,345,380	15,761,786
	<u>20,345,380</u>	<u>15,761,786</u>
Add: Revenue deducted on cancellation of units	1,564,777	1,273,926
Add: Revenue deducted on in-specie transactions	—	704,990
Less: Revenue received on creation of units	(1,572,085)	(1,418,658)
<b>Distributions for the year</b>	<b>20,338,072</b>	<b>16,322,044</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	39,696	19,094
	<u>20,377,768</u>	<u>16,341,138</u>

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

	24/10/18	24/10/17
	£	£
Net revenue after taxation for the year	20,335,347	16,321,066
Equalisation effect of conversions	2,725	978
<b>Distributions for the year</b>	<b>20,338,072</b>	<b>16,322,044</b>

### 8. Debtors

	24/10/18	24/10/17
	£	£
Accrued revenue	10,114,242	8,826,699
Amounts receivable for creation of units	1,448,941	10,939,043
Receivable for foreign exchange contracts	4,134	16,297
Sales awaiting settlement	—	5,544,094
	<u>11,567,317</u>	<u>25,326,133</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	24/10/18	24/10/17
	£	£
Amounts held at futures clearing houses and brokers	2,113,450	93,163
Cash and bank balances	36,142,258	7,219,194
Bank overdrafts	<u>(11,352)</u>	<u>(1,177,583)</u>
Net uninvested cash	<u>38,244,356</u>	<u>6,134,774</u>

### 10. Other creditors

	24/10/18	24/10/17
	£	£
Accrued expenses	243,850	366,998
Amounts payable for cancellation of units	2,167,013	6,500,113
Purchases awaiting settlement	<u>19,887</u>	<u>—</u>
	<u>2,430,750</u>	<u>6,867,111</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (24 October 2017: 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 8. 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 2018, 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 £60,766,129 (24 October 2017: £63,208,578).

## 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 the preceding year.

At 24 October 2018, 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 £12,533,084 (24 October 2017: £12,731,431).

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

24/10/18 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Japanese Yen	37,986	1,215,323	1,253,309

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

#### (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 (excluding Currency 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 £27,177,316 (24 October 2017: increase the exposure by £2,109,143), representing 2.17% of the net asset value (24 October 2017: 0.16%).

This results in an effective equity exposure at the year end of 99.39% (24 October 2017: 98.98%) of net assets, which means that the gains or losses of the Trust will be 0.9939 (24 October 2017: 0.9898) 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 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:

<b>24/10/18</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	1,217,023,083	(1,700,507)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,217,023,083</b>	<b>(1,700,507)</b>

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

#### **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

24/10/18	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	109,377	33	0.03	—	—	109,410
<b>Total</b>	<b>109,377</b>	<b>33</b>	<b>0.03</b>	<b>—</b>	<b>—</b>	<b>109,410</b>

24/10/18	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	123,957	(36)	0.03	—	—	123,921
<b>Total</b>	<b>123,957</b>	<b>(36)</b>	<b>0.03</b>	<b>—</b>	<b>—</b>	<b>123,921</b>

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.00%

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

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

Commissions and taxes as % of average net assets

Commissions 0.00%

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 0.14% (24 October 2017: 0.10%).

## 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 49. 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 40 to 47. The distributions per unit class are given in the distribution table on page 38. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	935,225,404	99,444,691
Units issued	191,551,668	22,349,790
Units cancelled	(384,645,967)	(23,787,820)
Units converted	(334,318)	(559,641)
Closing Units	741,796,787	97,447,020

<b>F-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	15,180	384,694
Units issued	—	1,601
Units cancelled	—	(80,521)
Units converted	—	—
Closing Units	15,180	305,774

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	477,058,030	538,240,890
Units issued	175,564,560	61,839,079
Units cancelled	(30,396,394)	(137,458,638)
Units converted	(369,107)	(706,611)
Closing Units	621,857,089	461,914,720

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	153,561,267	46,186,600
Units issued	43,284,935	98,580,932
Units cancelled	(11,264,018)	(10,514,475)
Units converted	793,463	1,151,834
Closing Units	186,375,647	135,404,891

## 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 39.29% (51.37% as at 24 October 2017) 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 52.34p. The Net Asset Value per R-Class distribution unit for the Trust as at 12 noon on 11 December 2018 was 50.99p. This represents a decrease of 2.58% from the year end value.

## Distribution Table

### Distribution Table for the year ended 24 October 2018

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	
			25/10/17	to 24/10/18
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.6576	0.4576
Group 2	0.4262	0.2314	0.6576	0.4576
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.7394	0.5103
Group 2	0.4344	0.3050	0.7394	0.5103
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.8431	0.7087
Group 2	0.0459	0.7972	0.8431	0.7087
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.9701	0.8044
Group 2	0.4718	0.4983	0.9701	0.8044
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.9616	0.8267
Group 2	0.8199	0.1417	0.9616	0.8267
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	1.1512	0.9748
Group 2	0.6387	0.5125	1.1512	0.9748
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	0.9878	0.8544
Group 2	0.5386	0.4492	0.9878	0.8544
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>24/12/18</b>	<b>24/12/17</b>
Group 1	Revenue	Equalisation	1.1848	1.0117
Group 2	0.7830	0.4018	1.1848	1.0117



## Trust Information

The Comparative Tables on pages 40 to 47 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	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	53.82	49.67	38.96
Return before operating charges*	(0.43)	5.03	11.57
Operating charges (calculated on average price)	(0.39)	(0.42)	(0.34)
Return after operating charges*	(0.82)	4.61	11.23
Distributions on income units	(0.66)	(0.46)	(0.52)
Closing net asset value per unit	52.34	53.82	49.67
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(1.52)%	9.28%	28.82%
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#### Other Information

Closing net asset value (£)	388,244,951	503,353,540	461,598,533
Closing number of units	741,796,787	935,225,404	929,418,795
Operating charges <sup>†</sup>	0.71%	0.83%	0.83%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	57.91p	54.38p	50.31p
Lowest unit price	51.20p	46.68p	33.83p

<sup>†</sup> 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	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	60.52	55.38	42.98
Return before operating charges*	(0.49)	5.61	12.78
Operating charges (calculated on average price)	(0.44)	(0.47)	(0.38)
Return after operating charges*	(0.93)	5.14	12.40
Distributions	(0.74)	(0.51)	(0.57)
Retained distributions on accumulation units	0.74	0.51	0.57
Closing net asset value per unit	59.59	60.52	55.38
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(1.54)%	9.28%	28.85%
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#### Other Information

Closing net asset value (£)	58,068,840	60,184,617	57,114,192
Closing number of units	97,447,020	99,444,691	103,139,304
Operating charges†	0.71%	0.83%	0.83%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	65.11p	60.64p	55.51p
Lowest unit price	57.57p	52.05p	37.33p

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## Trust Information continued

### Comparative Tables continued

#### F-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	53.92	49.76	39.03
Return before operating charges*	(0.45)	5.06	11.63
Operating charges (calculated on average price)	(0.20)	(0.19)	(0.14)
Return after operating charges*	(0.65)	4.87	11.49
Distributions on income units	(0.84)	(0.71)	(0.76)
Closing net asset value per unit	52.43	53.92	49.76
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(1.21)%	9.79%	29.44%
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#### Other Information

Closing net asset value (£)	7,959	8,185	2,738
Closing number of units	15,180	15,180	5,502
Operating charges†	0.37%	0.37%	0.37%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	58.20p	54.74p	50.83p
Lowest unit price	51.40p	46.79p	34.00p

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## Trust Information continued

### Comparative Tables continued

#### F-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	62.02	56.49	43.65
Return before operating charges*	(0.52)	5.74	13.01
Operating charges (calculated on average price)	(0.23)	(0.21)	(0.17)
Return after operating charges*	(0.75)	5.53	12.84
Distributions	(0.97)	(0.80)	(0.84)
Retained distributions on accumulation units	0.97	0.80	0.84
Closing net asset value per unit	61.27	62.02	56.49
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(1.21)%	9.79%	29.42%
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#### Other Information

Closing net asset value (£)	187,346	238,579	215,450
Closing number of units	305,774	384,694	381,420
Operating charges†	0.37%	0.37%	0.37%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	66.94p	62.14p	56.84p
Lowest unit price	59.11p	53.12p	38.02p

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## Trust Information continued

### Comparative Tables continued

#### I-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	53.78	49.62	38.92
Return before operating charges*	(0.45)	5.07	11.62
Operating charges (calculated on average price)	(0.08)	(0.08)	(0.06)
Return after operating charges*	(0.53)	4.99	11.56
Distributions on income units	(0.96)	(0.83)	(0.86)
Closing net asset value per unit	52.29	53.78	49.62
* after direct transaction costs of:	—	—	—

##### Performance

Return after charges	(0.99)%	10.06%	29.70%
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##### Other Information

Closing net asset value (£)	325,138,992	256,555,527	204,729,822
Closing number of units	621,857,089	477,058,030	412,558,664
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.01%	0.00%	0.01%

##### Prices

Highest unit price	58.17p	54.71p	50.80p
Lowest unit price	51.30p	46.68p	33.87p

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## Trust Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	64.39	58.51	45.11
Return before operating charges*	(0.54)	5.97	13.47
Operating charges (calculated on average price)	(0.10)	(0.09)	(0.07)
Return after operating charges*	(0.64)	5.88	13.40
Distributions	(1.15)	(0.97)	(1.00)
Retained distributions on accumulation units	1.15	0.97	1.00
Closing net asset value per unit	63.75	64.39	58.51
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(0.99)%	10.05%	29.71%
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#### Other Information

Closing net asset value (£)	294,457,798	346,552,117	372,901,774
Closing number of units	461,914,720	538,240,890	637,278,526
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	69.64p	64.51p	58.88p
Lowest unit price	61.43p	55.04p	39.26p

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## Trust Information continued

### Comparative Tables continued

#### C-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	53.76	49.61	38.91
Return before operating charges*	(0.45)	5.05	11.63
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.04)
Return after operating charges*	(0.50)	5.00	11.59
Distributions on income units	(0.99)	(0.85)	(0.89)
Closing net asset value per unit	52.27	53.76	49.61
* after direct transaction costs of:	—	—	—

##### Performance

Return after charges	(0.93)%	10.08%	29.79%
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##### Other Information

Closing net asset value (£)	97,412,034	82,554,382	65,325,624
Closing number of units	186,375,647	153,561,267	131,683,320
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.01%	0.00%	0.01%

##### Prices

Highest unit price	58.03p	54.72p	50.82p
Lowest unit price	51.19p	46.66p	33.92p

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## Trust Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	24/10/18 (pence per unit)	24/10/17 (pence per unit)	24/10/16 (pence per unit)
Opening net asset value per unit	64.48	58.57	45.13
Return before operating charges*	(0.54)	5.97	13.49
Operating charges (calculated on average price)	(0.07)	(0.06)	(0.05)
Return after operating charges*	(0.61)	5.91	13.44
Distributions	(1.18)	(1.01)	(1.03)
Retained distributions on accumulation units	1.18	1.01	1.03
Closing net asset value per unit	63.87	64.48	58.57
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	(0.95)%	10.09%	29.78%
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#### Other Information

Closing net asset value (£)	86,485,952	29,781,776	25,037,276
Closing number of units	135,404,891	46,186,600	42,745,429
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.01%	0.00%	0.01%

#### Prices

Highest unit price	69.60p	64.61p	58.94p
Lowest unit price	61.40p	55.10p	39.35p

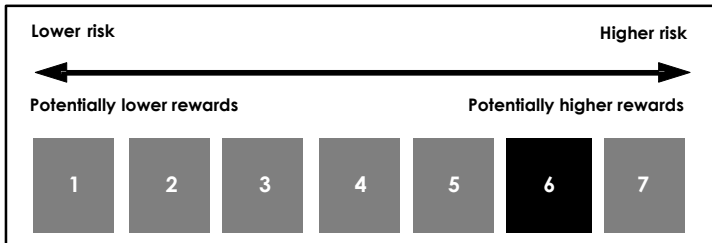
† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Trust and is calculated based on the last period's figures.

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## Risk and Reward Profile (unaudited)



- 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.

## General Information (unaudited)

### Constitution

Launch date:	13 June 1989
Period end date for distribution:	24 October
Distribution date:	24 December
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A C-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.53%† (0.83% prior to 1 June 2018) 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, 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 available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

† With effect from 1 June 2018 - See Significant Changes on page 52.

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/fund-information/daily-fund-prices](http://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 (unaudited) 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](http://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 0.13%, whilst over the last three years to the end of October 2018, the annualised Tracking Error of the Trust is 0.09%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.50% per annum.

## General Information (unaudited) 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)
32	6,726	11,997	410

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Trust (Pro-rated) (£'000)
22	2,281	3,000	16

### Controlled Functions

As at 31 December 2017, Legal & General Unit Trust Managers Limited (UTM) engaged the services of six 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 there was one non-executive Director. UTM also engaged the services of a further 20 LGIMH employees and a further three 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, Significant Management Functions and Customer 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 (unaudited) continued

### Material Risk Takers

As at the 31 December 2017, 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 Legal & General Investment Management's Index Fund Management team.

### Significant Changes

#### Change of Fund Management Fees (FMF)

With effect from 1 June 2018, the FMF for R-Class was reduced from 0.83% to 0.53%.

#### 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](http://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.

## General Information (unaudited) 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. Morrissey  
H. Solomon  
S. D. Thomas (resigned 17 October 2018)  
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 SE  
Trustee and Depository 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

KPMG LLP  
15 Canada Square,  
London E14 5GL

### Investment Adviser

Legal & General Investment Management Limited  
One Coleman Street,  
London EC2R 5AA  
Authorised and regulated by the Financial Conduct Authority

**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](http://www.legalandgeneral.com)

