

Legal & General (N) Tracker Trust
**Interim Manager's
Short Report**
for the period ended
31 March 2019



Investment Objective and Policy

The L&G (N) Tracker Trust aims to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share Index will be held with weightings generally proportionate to their company's market capitalisation. From time to time non-Index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

The Trust may hold derivatives for Efficient Portfolio Management purposes.

Risk Profile

Market Risk

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

Currency Risk

This Trust is invested in overseas financial securities. The performance of the Trust may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.

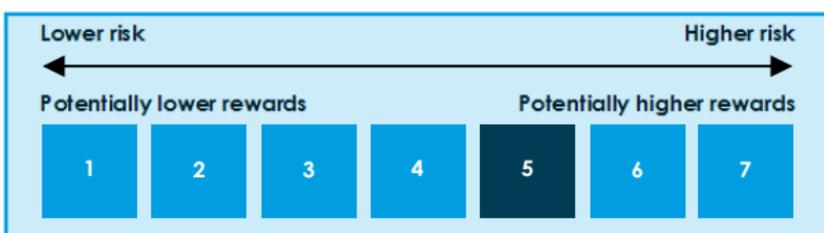
Trust Facts

Period End Dates for Distributions:	31 Mar, 30 Sep	
Distribution Dates:	31 May, 30 Nov	
Ongoing Charges Figures:	31 Mar 19	30 Sep 18
A-Class	0.85%	0.85%
F-Class	0.35%	0.35%
I-Class	0.10%	0.10%
C-Class	0.06%	0.06%
CTF-Class	1.50%	1.50%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, 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 fund and is calculated based on the last period's figures.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

A-Class

The distribution payable on 31 May 2019 is 3.0892p per unit for accumulation units.

F-Class

The distribution payable on 31 May 2019 is 3.7868p per unit for accumulation units.

I-Class

The distribution payable on 31 May 2019 is 3.3399p per unit for distribution units and 4.1377p per unit for accumulation units.

C-Class

The distribution payable on 31 May 2019 is 1.0215p per unit for distribution units and 1.1942p per unit for accumulation units.

CTF-Class

The distribution payable on 31 May 2019 is 2.2581p 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)
A-Class Accumulation Units	785,795,599	365,744,336	214.85
F-Class Accumulation Units	549	244	225.00
I-Class Distribution Units	258,827,318	142,699,685	181.38
Accumulation Units	69,862,036	30,530,756	228.83
C-Class Distribution Units	1,351,411	2,463,124	54.87
Accumulation Units	213,891,650	327,410,959	65.33
CTF-Class Accumulation Units	468,492,604	231,703,079	202.20

Past performance is not a guide to future performance.

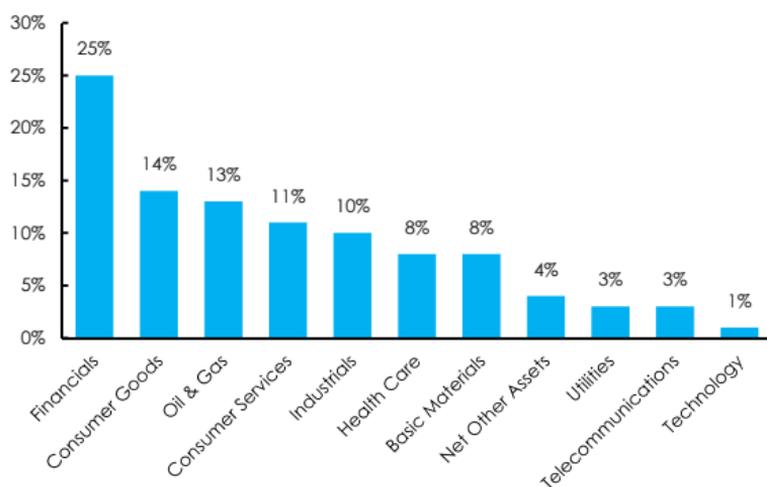
The price of units and any income from them may go down as well as up.

Portfolio Information

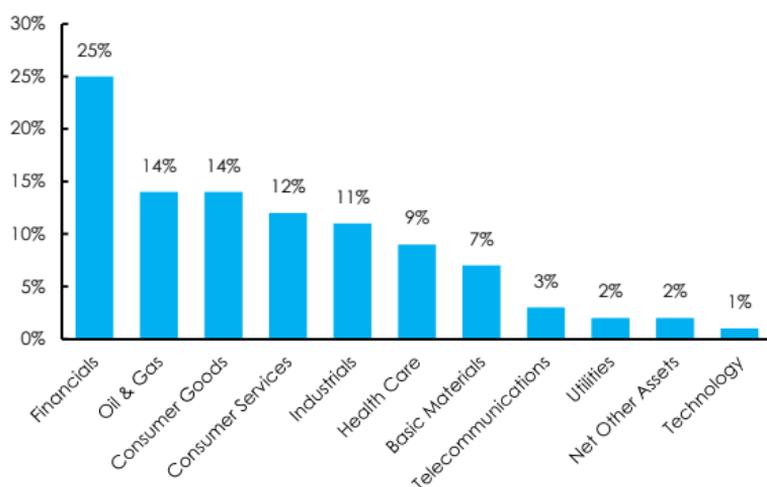
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 30 March 2019		Top 10 Holdings at 30 September 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC	5.24%	HSBC	5.40%
BP	4.60%	Royal Dutch Shell 'A'	4.84%
Royal Dutch Shell 'A'	4.59%	BP	4.62%
Royal Dutch Shell 'B'	3.80%	Royal Dutch Shell 'B'	4.02%
AstraZeneca	3.27%	British American Tobacco	3.21%
GlaxoSmithKline	3.25%	AstraZeneca	3.04%
Diageo	3.15%	GlaxoSmithKline	3.01%
British American Tobacco	2.94%	Diageo	2.68%
Rio Tinto	2.10%	Unilever (UK listing)	1.92%
Unilever (UK listing)	2.02%	Prudential	1.83%

Trust Holdings as at 30 March 2019



Trust Holdings as at 30 September 2018



Manager's Investment Report

During the period under review, the price of the Trust's A-Class accumulation units fell by 2.45%. 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. On this basis, over the review period, the Trust return was -3.57% on a capital only basis compared with the FTSE All-Share Index return of -3.62% (Source: Bloomberg), producing an outperformance of +0.05%.

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.

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Market/Economic Review

Global equity indices have performed poorly over the review period. Markets became increasingly volatile as 2018 ended, recording heavy losses before regaining some lost ground in January and February. Concerns that the Federal Reserve was raising US interest rates too quickly, the risk of a prolonged government shutdown in the US, the ongoing US-China trade dispute and weaker global economic indicators all combined to trigger widespread risk aversion amongst investors. The healthcare sector outperformed, boosted by robust earnings growth. As global economic prospects became more uncertain, technology stocks struggled while the energy sector underperformed as the oil price fell back to a 15-month low in December.

UK equities lost ground as uncertainty surrounding the outcome of Brexit negotiations preoccupied investors. The negative reception by Parliament to Prime Minister May's Brexit deal raised the perceived risk of both an election or a 'no deal' Brexit, both considered undesirable outcomes due to the potential negative impact on UK business prospects. At the sector level, it was a disappointing period for retailers, as the high street remains the one consistent area of decline in the UK economy, which grew at its slowest pace in over six years during the final quarter of 2018. The pharmaceutical sector continues to be a focal point for merger and acquisition activity, with GlaxoSmithKline unveiling a plan to split its business into two, while Japanese pharmaceutical firm Takeda acquired Shire.

The globally focused large-cap FTSE 100 Index (-3.08%) managed to weather market pressures better than domestically focused FTSE SmallCap (-6.11%) and the mid-cap FTSE 250 (-5.86%).

Manager's Investment Report continued

Over the review period, major sectors such as Software & Computer Services (+15.13%), Beverages (+14.49%) and Mining (+12.87%) showed the largest positive returns; whilst the most underperforming sectors were Automobiles & Parts (-38.54%), Oil Equipment, Services & Distribution (-30.99%) and Industrial Transportation (-30.76%).

Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the Index. Hence investment activity, other than to raise or invest cash, is only necessary when there are changes in the issued share capital or free float of the constituent companies, or to the constituents of the Index.

There were two Index rebalances during the period under review. At the quarterly Index review in December 2018, there were five additions to the FTSE All-Share universe: Smithson Investment Trust, Aston Martin Lagonda Global, Third Point Offshore Investors, Funding Circle and BATM Advanced Communications. Shire was deleted as a result of the acquisition by Takeda Pharmaceuticals (Japan) for cash and stock. Interserve failed to meet the inclusion criteria and was deleted from the FTSE All-Share universe. The largest increases were Polymetal International, Rolls-Royce and SSE; and the largest decreases were Phoenix Group, Glencore and Genesis Emerging Markets Fund.

At the quarterly Index review in March 2018, AJ Bell was added to the FTSE All-Share universe, whilst Debenhams was the sole deletion. The largest increases were BP, Scottish Mortgage Investment Trust and Centrica; and the largest decreases were Diageo, Royal Dutch Shell 'A' and RELX.

There was considerable merger and acquisition activity occurring outside of the Index reviews. Virgin Money Holdings acquired by CYBG in an all-stock deal. CME Group merged with NEX Group in cash and stock deal. Randgold Resources merged with Barrick Gold (Canada) in stock deal. Primary Health Properties increased its weight in the Index as a result of an all-share merger with MedicX Fund. The cash deals included SKY acquisition by Comcast, Esure Group by Blue (BC) Bidco, Cambian Group by CareTech, Communisis by private company OSG Group. Circassia Pharmaceuticals transferred its listing from the Main Board to AIM and consequently was deleted from FTSE All-Share Index.

Outside Index reviews, there were numerous changes to the free share capital of constituents. Companies raising capital via rights issues included Grainger, Kier Group, EnQuest, Elementis and Restaurant Group. Low & Bonar, Tritax Big Box REIT raised capital via Open Offers. Civitas Social Housing increased its weight in the Index as a result of converting C shares into the ordinary shares.

Manager's Investment Report continued

At the end of the review period the Trust had holdings in all of the 634 companies in the Index. The three largest stocks in the Index at the end of the period were Royal Dutch Shell (8.77%), HSBC (5.53%) and BP (4.90%).

Outlook

Following the rate hike in August to 0.75%, the BoE is likely to stay on hold until next year. Despite above-target inflation, the BoE will be wary to hike again in the midst of a congested Brexit timetable. We expect UK GDP to be supported by the fiscal stimulus announced by the Chancellor at the end of 2018 but is still likely to be weak on account of Brexit uncertainty. We have maintained our UK GDP growth rate expectation at 1.5% in 2019 and 1.8% in 2020. While UK investment has slowed since 2015, some improvement is possible should a withdrawal agreement from the EU be reached by parliament. However, the Bank of England's agents' survey shows that many firms have prepared themselves for a 'no deal' Brexit and some have also already implemented those plans.

Given this backdrop of uncertainty, the Trust remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
18 April 2019

Manager's Report and Accounts

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

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

Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Trust is 0.07%, whilst over the last three years to the end of March 2019, the annualised Tracking Error of the Trust is 0.06%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/- 0.50% per annum.

Minimum Investment Amounts

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

A-Class	£20
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000
CTF-Class	£1

F-Class units are 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.

The L&G (N) Tracker Trust CTF-Class units shall only be available to investors where the beneficial owner of the units is an eligible child within the definition of the requirements of the Child Trust Fund Act 2004.

Other Information

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

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

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Trustee

Northern Trust Global Services SE UK Branch

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square,

London E14 5GL

**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
NTT0519

