

Legal & General International Index Trust
**Annual Manager's
Short Report
for the year ended
6 October 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of the Trust is to track the capital performance of global equity markets, as represented by the FTSE World (excluding UK) Index, by investment mainly in a representative sample of stocks selected from all economic sectors.

Exposure to securities in the FTSE World (excluding UK) Index will be held with weightings generally proportionate to each company's market capitalisation. Derivatives will be used for efficient portfolio management purposes only.

Where the Trust is of a relatively small size, the accuracy of the weighting of holdings may not reflect the composition of the FTSE World (excluding UK) Index.

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 also invest in deposits, cash, near cash, Collective Investment Schemes and money market instruments.

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.

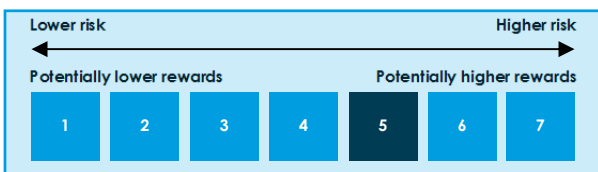
Trust Facts

Period End Dates for Distributions:	6 Apr, 6 Oct	
Distribution Dates:	6 Jun, 6 Dec	
Ongoing Charges Figures:	6 Oct 17	6 Oct 16
R-Class	0.88%	0.89%
F-Class	0.37%	0.43%
I-Class	0.13%	0.13%
C-Class	0.08%	0.08%

The Ongoing Charges Figure (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.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category five because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 6 December 2017 is 0.7539p per unit for distribution units and 0.8540p per unit for accumulation units.

F-Class

The distribution payable on 6 December 2017 is 1.0206p per unit for distribution units and 1.1766p per unit for accumulation units.

I-Class

The distribution payable on 6 December 2017 is 1.1474p per unit for distribution units and 1.3672p per unit for accumulation units.

C-Class

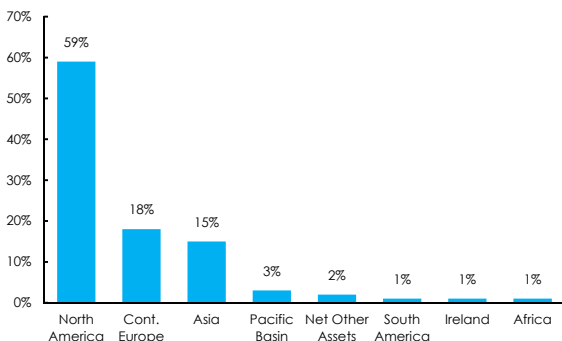
The distribution payable on 6 December 2017 is 1.1738p per unit for distribution units and 1.4015p per unit for accumulation units.

Portfolio Information

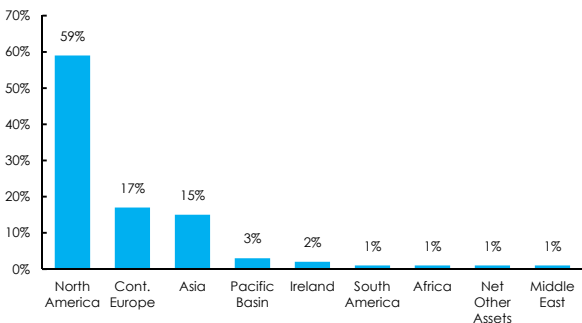
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 6 October 2017		Top 10 Holdings at 6 October 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Apple	2.04%	Apple	1.84%
Microsoft	1.43%	Microsoft	1.30%
Facebook 'A'	1.00%	Exxon Mobil	1.09%
Amazon.com	0.99%	Amazon.com	0.98%
Johnson & Johnson	0.91%	Johnson & Johnson	0.98%
Exxon Mobil	0.87%	Facebook 'A'	0.85%
JPMorgan Chase	0.87%	General Electric	0.79%
Alphabet 'C'	0.74%	JPMorgan Chase	0.73%
Alphabet 'A'	0.74%	AT&T	0.72%
Nestle	0.67%	Alphabet 'A'	0.71%

Trust Holdings as at 6 October 2017



Trust Holdings as at 6 October 2016



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	96.14	75.59	74.25
Return before operating charges*	15.97	22.39	2.98
Operating charges (calculated on average price)	(0.92)	(0.73)	(0.70)
Return after operating charges*	15.05	21.66	2.28
Distributions on income units	(1.26)	(1.11)	(0.94)
Closing net asset value per unit	109.93	96.14	75.59
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	15.65%	28.65%	3.07%
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Other Information

Closing net asset value (£)	20,383,275	18,006,649	16,654,331
Closing number of units	18,541,749	18,729,519	22,033,687
Operating charges†	0.88%	0.89%	0.89%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	110.70p	96.95p	85.41p
Lowest unit price	94.27p	71.50p	69.91p

† 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.

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.

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	108.40	84.17	81.69
Return before operating charges*	18.03	25.05	3.25
Operating charges (calculated on average price)	(1.04)	(0.82)	(0.77)
Return after operating charges*	16.99	24.23	2.48
Distributions	(1.43)	(1.24)	(1.04)
Retained distributions on accumulation units	1.43	1.24	1.04
Closing net asset value per unit	125.39	108.40	84.17
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	15.67%	28.78%	3.04%
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Other Information

Closing net asset value (£)	80,747,538	65,405,507	59,918,355
Closing number of units	64,395,218	60,339,774	71,185,079
Operating charges†	0.88%	0.89%	0.89%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	125.40p	108.50p	94.37p
Lowest unit price	106.30p	79.63p	76.92p

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	96.34	75.75	74.42
Return before operating charges*	16.03	22.49	2.99
Operating charges (calculated on average price)	(0.39)	(0.36)	(0.39)
Return after operating charges*	15.64	22.13	2.60
Distributions on income units	(1.80)	(1.54)	(1.27)
Closing net asset value per unit	110.18	96.34	75.75
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.23%	29.21%	3.49%
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Other Information

Closing net asset value (£)	112,753	96,693	74,993
Closing number of units	102,339	100,366	99,004
Operating charges†	0.37%	0.43%	0.49%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	111.30p	97.41p	85.75p
Lowest unit price	94.68p	71.76p	70.07p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	110.31	85.27	82.43
Return before operating charges*	18.40	25.44	3.26
Operating charges (calculated on average price)	(0.44)	(0.40)	(0.42)
Return after operating charges*	17.96	25.04	2.84
Distributions	(2.07)	(1.74)	(1.41)
Retained distributions on accumulation units	2.07	1.74	1.41
Closing net asset value per unit	128.27	110.31	85.27
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.28%	29.37%	3.45%
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Other Information

Closing net asset value (£)	1,095,008	881,406	619,663
Closing number of units	853,691	799,010	726,731
Operating charges†	0.37%	0.43%	0.49%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	128.40p	110.40p	95.57p
Lowest unit price	108.40p	80.78p	77.62p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	96.20	75.62	74.29
Return before operating charges*	16.02	22.48	2.98
Operating charges (calculated on average price)	(0.14)	(0.11)	(0.11)
Return after operating charges*	15.88	22.37	2.87
Distributions on income units	(2.06)	(1.79)	(1.54)
Closing net asset value per unit	110.02	96.20	75.62
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.51%	29.57%	3.86%
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Other Information

Closing net asset value (£)	302,538,492	266,080,346	161,808,502
Closing number of units	274,991,186	276,603,725	213,965,585
Operating charges†	0.13%	0.13%	0.14%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	111.30p	97.21p	85.60p
Lowest unit price	94.56p	71.61p	69.95p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	113.64	87.57	84.36
Return before operating charges*	18.98	26.20	3.34
Operating charges (calculated on average price)	(0.16)	(0.13)	(0.13)
Return after operating charges*	18.82	26.07	3.21
Distributions	(2.44)	(2.08)	(1.75)
Retained distributions on accumulation units	2.44	2.08	1.75
Closing net asset value per unit	132.46	113.64	87.57
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.56%	29.77%	3.81%
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Other Information

Closing net asset value (£)	534,667,706	422,108,984	288,547,032
Closing number of units	403,656,969	371,449,340	329,493,051
Operating charges†	0.13%	0.13%	0.14%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	132.60p	113.60p	97.99p
Lowest unit price	111.70p	82.92p	79.44p

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Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	96.16	75.59	74.26
Return before operating charges*	16.01	22.47	2.98
Operating charges (calculated on average price)	(0.08)	(0.07)	(0.07)
Return after operating charges*	15.93	22.40	2.91
Distributions on income units	(2.11)	(1.83)	(1.58)
Closing net asset value per unit	109.98	96.16	75.59
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.57%	29.63%	3.92%
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Other Information

Closing net asset value (£)	584,358,655	203,236,185	12,627,953
Closing number of units	531,329,575	211,346,544	16,705,085
Operating charges†	0.08%	0.08%	0.09%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	111.30p	97.36p	85.56p
Lowest unit price	94.53p	71.72p	69.92p

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

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	113.81	87.66	84.40
Return before operating charges*	19.01	26.23	3.34
Operating charges (calculated on average price)	(0.10)	(0.08)	(0.08)
Return after operating charges*	18.91	26.15	3.26
Distributions	(2.51)	(2.13)	(1.80)
Retained distributions on accumulation units	2.51	2.13	1.80
Closing net asset value per unit	132.72	113.81	87.66
* after direct transaction costs of:	0.02	0.02	0.01

Performance

Return after charges	16.62%	29.83%	3.86%
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Other Information

Closing net asset value (£)	175,163,785	88,704,505	52,690,349
Closing number of units	131,981,572	77,942,953	60,108,812
Operating charges†	0.08%	0.08%	0.09%
Direct transaction costs	0.02%	0.02%	0.02%

Prices

Highest unit price	132.90p	113.90p	98.06p
Lowest unit price	111.80p	83.16p	79.48p

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 14.37%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices and foreign exchange rates, whereas the Trust is valued using prevailing prices at 3pm. 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 rose by 14.26% on a capital only basis compared with the FTSE World (excluding UK) Index increase of 14.26% (Source: Bloomberg), producing a tracking difference of 0.00%.

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Market/Economic Review

Equity markets recorded double-digit percentage gains as investors became more positive on the prospects for global economic growth. In recent months, there has been marked decline in equity market volatility, while markets have also been underpinned by companies buying back their own shares. Since the turn of the calendar year, however, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016, when commodity-related sectors and financials performed relatively well. Instead, investors have favoured technology stocks with earnings from a number of leading US companies exceeding expectations. Energy stocks have underperformed as OPEC's move to introduce production quotas has failed to restore equilibrium in global oil markets, as North American shale inventories have risen. Amongst developed markets Europe outperformed, reflecting growing confidence over the economic outlook and a reduction in political risks in early 2017. European markets have also been a focal point for merger and acquisition activity, reflecting an increasingly positive corporate earnings outlook. Emerging markets outperformed the MSCI World Index as investors became less concerned about the risk of protectionist US trade policies, while returns have also been enhanced by the broad-based rally in local currencies since the beginning of 2017.

Manager's Investment Report continued

Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the benchmark Index. Therefore, investment activity, other than to raise or invest cash, is only necessary when there are changes to the benchmark Index, or as a result of a corporate action.

The quarterly Index review in December 2016 resulted in one addition, BOC Aviation (Singapore), and 11 deletions. The largest deletion was Liberty Ventures (US). There were also changes to the free share capital of 345 constituents, the largest of which was an increase to Procter & Gamble (US).

At the March 2017 semi-annual Index review, there were 29 additions, of which the largest were IHS Markit (Bermuda) and IDEXX Laboratories (US). There were also 20 deletions, the largest being Alnylam Pharmaceuticals and Versum Materials (both US). In addition, 268 companies had changes to their free share capital, with the largest being decreases in Apple (US) and Allergan (Ireland).

At the June 2017 quarterly Index review, there were three additions, the largest of which was Latour Investment (Sweden). There were also eight deletions, of which the largest were Actelion (Switzerland) and Mead Johnson Nutrition (US). There were 2,030 changes to the free share capital of constituents with the largest increases being NTT (Japan), Facebook 'A' (US) and Amazon.com (US) and the largest decreases being Wells Fargo (US), International Business Machines (US) and Oracle (US).

The September semi-annual Index review resulted in 55 additions, the largest of which were Align Technology (US) and Dollarama (Canada), as well as 16 deletions, the largest of which were Cameo (Canada) and Transocean (US). There were 232 changes to the free share capital of constituents with the largest increases being Vale (Brazil), Canadian Natural Resources (Canada) and Cenovus Energy (Canada). The largest decreases were Illinois Tool Works (US), Vale (Brazil) and Berkshire Hathaway 'A' (US).

Outside the Index reviews, there were several Index changes due to initial public offerings (IPOs) and demergers. Both Samsung Biologics (South Korea) and Kyushu Railway (Japan) were added to the Index following IPOs which raised USD 2 billion and USD 4 billion, respectively. Further IPOs included Netmarble Games (South Korea) and Steinhoff Africa Retail (South Africa), which were also added to the Index outside the Index reviews, after offerings in excess of USD 2 billion and USD 1 billion, respectively. Yum China (US), Lamb Weston (US) and Adient (Ireland) were added to the Index after being spun-off from Yum Brands, Conagra Brands and Johnson Controls International respectively. DXC Technology Co (US) was added to the Index after being spun-off from Hewlett Packard Enterprise (US), and then immediately acquired Computer Sciences (US) in a deal worth

Manager's Investment Report continued

USD 6 billion, which resulted in Computer Sciences being deleted from the Index.

Further merger and acquisition activity during the reporting year included a number of stocks being deleted from the Index; LinkedIn 'A' was acquired by Microsoft (both US) for USD 24 billion in the biggest takeover in the Technology sector in 2016; Spectra Energy (US) was bought by Enbridge (Canada) in a stock deal for USD 42 billion in the biggest deal in the pipelines industry of 2016 and St. Jude Medical was acquired by Abbot Laboratories (both US) in a stock and cash deal worth USD 30 billion. Additionally, Technip (France) and FMC (US) merged to form a new addition TechnipFMC (France). Dow Chemical (US) and DuPont (US) completed an all stock merger of equals worth USD 65 billion. This resulted in a new entity DowDuPont being added to the Index whilst removing the two original entities. Syngenta (Switzerland) was deleted from the Index after being acquired by China National Chemical in a 100% cash deal in a deal worth over USD 46 billion.

At the end of the review year, the three largest stocks in the Index were Apple (2.1%), Alphabet (1.5%) and Microsoft (1.5%).

Outlook

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

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

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited

(Investment Adviser)

27 October 2017

Manager's Report and Accounts

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

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

Information on Tracking Error

The 'Tracking Error' of a 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 0.08%, whilst over the last three years to the end of October 2017, 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 +/- 0.75% per annum.

Minimum Investment Amounts

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

R-Class	£500
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- ii) authorised intermediaries or distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

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

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year 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.

Significant Change**Change of Fund Management Fee (FMF)**

With effect from 6 June 2017 the FMF for R-Class units has been reduced from 0.89% to 0.85%.

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

Trustee

Northern Trust Global Services Limited

50 Bank Street,

Canary Wharf,

London E14 5NT

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

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

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

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