

Legal & General
Global Emerging Markets Index Fund

**Interim Manager's
Short Report
for the period ended
31 January 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The objective of the Fund is to track the capital performance of global emerging equity markets, as represented by the FTSE All-World Emerging Index.

The Manager will seek to achieve the investment objective by investing primarily in securities that make up the constituents of the FTSE All-World Emerging Index. The Fund may also invest in stocks which are reasonably expected, at the investment manager's discretion to become part of the Index. Securities will be held with weightings generally proportionate to their market capitalisation. The Fund may hold depository receipts and derivatives both for efficient portfolio management and investment purposes.

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

Risk Profile

Market Risk

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

This Fund invests in securities which are issued by companies in Emerging Markets and therefore, there is likely to be increased volatility in price movements. The securities may also be less liquid than securities on larger exchanges which are generally traded more frequently.

Currency Risk

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

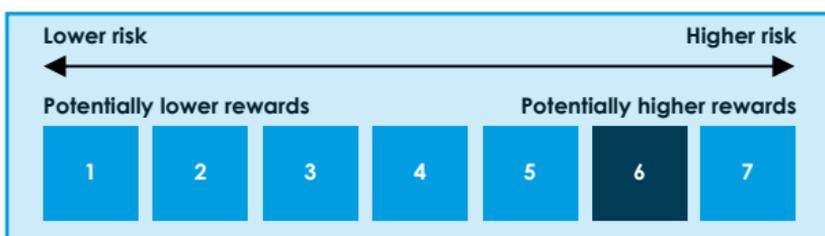
Fund Facts

Period End Date for Distribution:		31 July
Distribution Date:		30 September
Ongoing Charges Figures:	31 Jan 18	31 Jul 17
R-Class	0.97%	0.97%
F-Class	0.57%	0.57%
I-Class	0.33%	0.33%
C-Class	0.23%	0.23%
L-Class	0.18%	0.18%

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

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Fund's unit price has moved up and down in the past. If the Fund has less than five years' track record, the number also reflects the rate at which the Index the Fund 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 Fund 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 Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

Distribution Information

The policy is to distribute, on an annual basis, all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. This being the case, there is no interim distribution.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	3,763,739	6,137,272	61.33
Accumulation Units	49,791,730	71,916,662	69.24
F-Class			
Distribution Units	280,754	455,354	61.66
Accumulation Units	204,996	289,542	70.80
I-Class			
Distribution Units	62,445,181	101,531,383	61.50
Accumulation Units	254,514,805	352,804,562	72.14
C-Class			
Distribution Units	54,692,057	89,037,101	61.43
Accumulation Units	19,447,510	26,911,500	72.26
L-Class			
Distribution Units	450,800,366	733,026,413	61.50

Past performance is not a guide to future performance.

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

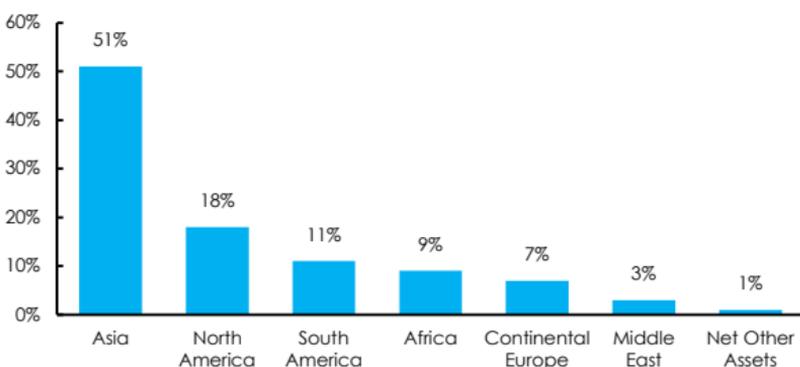
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

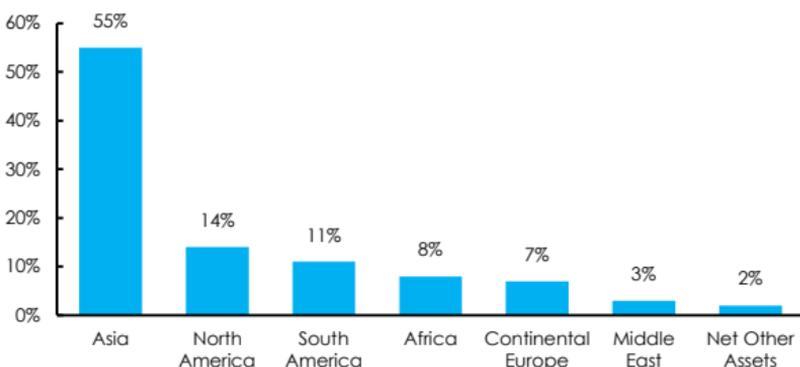
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 31 January 2018		Top 10 Holdings at 31 July 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Tencent	6.29%	Tencent	5.28%
Taiwan Semiconductor Manufacturing	4.13%	Taiwan Semiconductor Manufacturing	4.16%
Naspers	2.40%	Naspers	2.28%
Alibaba Group ADR	2.13%	China Construction Bank 'H'	1.84%
China Construction Bank 'H'	2.05%	Hon Hai Precision Industry	1.42%
Industrial & Commercial Bank of China 'H'	1.47%	China Mobile	1.40%
Ping An Insurance Company 'H'	1.18%	Industrial & Commercial Bank of China 'H'	1.34%
China Mobile	1.10%	Housing Development Finance	1.08%
Itau Unibanco (Preference)	1.01%	Reliance Industries	0.98%
Sherbank of Russia	1.00%	Bank of China 'H'	0.92%

Fund Holdings as at 31 January 2018



Fund Holdings as at 31 July 2017



Manager's Investment Report

During the period under review, the bid price of the Fund's R-Class distribution units rose by 7.67%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices and foreign exchange rates. On this basis over the review period, the Fund rose by 9.24% on a capital only basis, matching the performance of the FTSE All-World Emerging Index (Source: Bloomberg).

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The value of investments and any income from them may go down as well as up.

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

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Market/Economic Review

Globally, equity markets have made further gains over the last six months, reflecting a steady improvement in global economic indicators and earnings growth that has exceeded expectations. Investors have favoured technology stocks in anticipation of an upturn in the semiconductor industry, while earnings announcements from the major technology companies, particularly in the US, have also been encouraging. Mining stocks have performed well as commodity markets rallied, while energy stocks also outperformed as the oil price climbed to a three-year high above \$70/barrel in January. In contrast, the utilities, real estate and telecoms sectors, more sensitive to bond markets, underperformed. US equities ended the review period at an all-time high, boosted by congressional approval for the Trump administration's tax reforms which included a substantial cut in corporation tax. Asian equity markets advanced as the strong global backdrop has boosted the region's export-driven economies. In Europe, although corporate results have highlighted improving earnings momentum and indicators suggest regional economic activity is accelerating, markets trailed the FTSE World Index as political concerns resurfaced.

Emerging markets outperformed the FTSE World Index and posted their highest monthly returns since March 2016 in January. Strengthening global economic growth, higher oil prices and the weakness of the US Dollar all supported markets. Latin America was the best performing region, led by Brazil. Aside from stronger

Manager's Investment Report continued

commodity prices and recovering consumer demand, the guilty verdict for former President Lula on corruption charges was a key driver for market performance ahead of presidential elections later this year. The rally in the oil price saw Russia outperform, as the market is weighted towards energy stocks. In central Europe, the Polish, Hungarian and Czech markets also registered strong gains in January as the Eurozone recorded its highest annual growth rate in a decade. The Chinese market rallied strongly, driven by better than expected economic growth during the fourth quarter, and positive earnings revisions. Financials performed well on optimism that banks with strong deposit franchises will benefit from the Chinese government's supply side reforms and deleveraging efforts. The weakest markets in January were Egypt, the Philippines and South Africa. In South Africa, the strength of the rand weighed on exporters, while in the Philippines returns were diluted by the weakness of the peso.

Fund Review

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

The September semi-annual review resulted in 42 additions and 12 deletions. The additions were primarily concentrated on the addition of Chinese Depository receipts listed in the US following a change in the FTSE ground rules. There were a further 50 changes to the free share capital of constituents with the largest increases being Grasim Industries, Vale SA and Bharti Infratel and the largest decreases being Vale, ICICI Bank and Kotak Mahindra Bank. The total two-way Index turnover was 7.0%.

At the December quarterly Index review, there were 5 additions including Guotai Junan Securities and WuXi Biologics and 2 deletions, the significant deletion being Kotak Mahindra Bank. There were a further 84 changes to the free share capital of constituents with the largest increases being Alibaba Group ADR, Baidu ADR and JD.com ADR and the largest decreases being Reliance Industries, ICICI Bank and IndusInd Bank. Total two-way Index turnover was 4.8%.

Manager's Investment Report continued

Outlook

Equity markets began 2018 on a positive note. Europe outperformed other developed markets as the Eurozone economy expanded at its fastest pace for a decade in 2017, marking 19 consecutive quarters of expansion. Southern European markets such as Italy, Spain and Greece were the strongest in January. Italy benefited from an improving political outlook as Berlusconi's centre-right alliance gained momentum ahead of elections due in March. The US equity market continued to post record highs, registering its strongest start to the year since 1987 on optimism over the impact of tax cuts on corporate earnings. Expectations that an improving outlook for global economic growth will underpin corporate earnings helped the Japanese equity market to make further progress, although the market gave back some of its earlier gains as the Yen strengthened against the US Dollar. The smaller Asia Pacific markets posted their best start for six years in January, as a combination of improving global economic prospects, US Dollar weakness and a continuing rally in commodity prices underpinned investor sentiment. The best performing markets in the Asia Pacific region last month were Thailand and Malaysia, while the Australian market underperformed as rising bond yields meant utilities and real estate stocks drove the market lower.

Legal & General Investment Management Limited
(Investment Adviser)
22 February 2018

Manager's Report and Accounts

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

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

Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Fund is 0.01%, whilst over the last three years to the end of January 2018, the annualised Tracking Error of the Fund is 0.03%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-1.50% per annum.

Minimum Investment Amounts

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

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

In addition, monthly contributions can be made into the R-Class and F-Class with a minimum amount of £50 per month.

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Fund 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.

L-Class is not available to retail customers and is intended only for investment by Legal & General group companies.

Other Information

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

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

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

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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
GEMI0318

