

Legal & General UK Mid Cap Index Fund
**Interim Manager's
Short Report
for the period ended
30 April 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Fund is to track the capital performance of the UK equity market, as represented by the FTSE 250 excluding Investment Trusts Index.

The Fund will invest primarily in the equities that make up the constituents of the FTSE 250 excluding Investment Trusts Index. Securities in the FTSE 250 excluding Investment Trusts Index will be held with weightings generally proportionate to their company's market capitalisation.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes. The Fund may hold derivatives for the purposes of efficient portfolio management.

From time to time non Index constituents may be held as a result of a corporate action or Index changes and these holdings will be sold or transferred as soon as reasonably practical.

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.

Fund Facts

| | | |
|-------------------------------------|----------------------|-----------|
| Period End Dates for Distributions: | 30 April, 31 October | |
| Distribution Dates: | 30 June, 31 December | |
| Ongoing Charges Figures: | 30 Apr 18 | 31 Oct 17 |
| I-Class | 0.14% | 0.14% |
| C-Class | 0.08% | 0.08% |
| L-Class | 0.04% | 0.04% |

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

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund.

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 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.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

Distribution Information

I-Class

The distribution payable on 30 June 2018 is 0.6706p per unit for distribution units and 0.6867p per unit for accumulation units.

C-Class

The distribution payable on 30 June 2018 is 0.6869p per unit for distribution units and 0.7039p per unit for accumulation units.

L-Class

The distribution payable on 30 June 2018 is 0.6985p per unit for distribution units.

Net Asset Values and Units in Issue

| Class | Net Asset Value (£) | Units in Issue | Net Asset Value per Unit (p) |
|--------------------|---------------------|----------------|------------------------------|
| I-Class | | | |
| Distribution Units | 2,344,653 | 4,212,863 | 55.65 |
| Accumulation Units | 13,190,812 | 22,871,621 | 57.67 |
| C-Class | | | |
| Distribution Units | 5,179,472 | 9,303,429 | 55.67 |
| Accumulation Units | 1,915,156 | 3,318,292 | 57.72 |
| L-Class | | | |
| Distribution Units | 166,501,198 | 299,170,450 | 55.65 |

Past performance is not a guide to future performance.

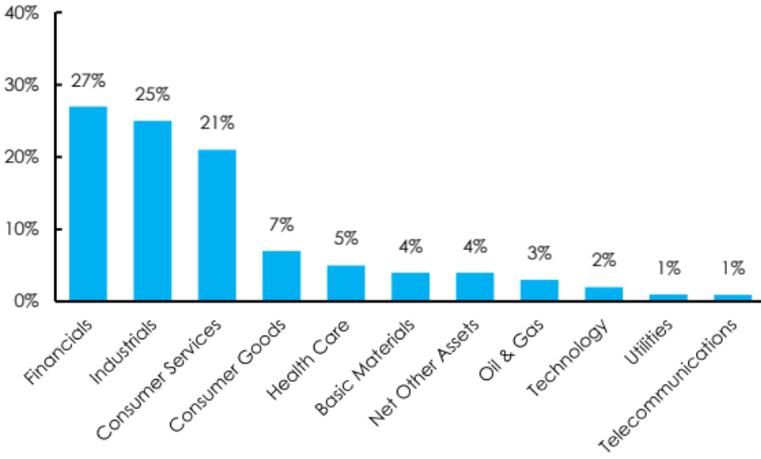
The price of units and any income from them may go down as well as up.

Portfolio Information

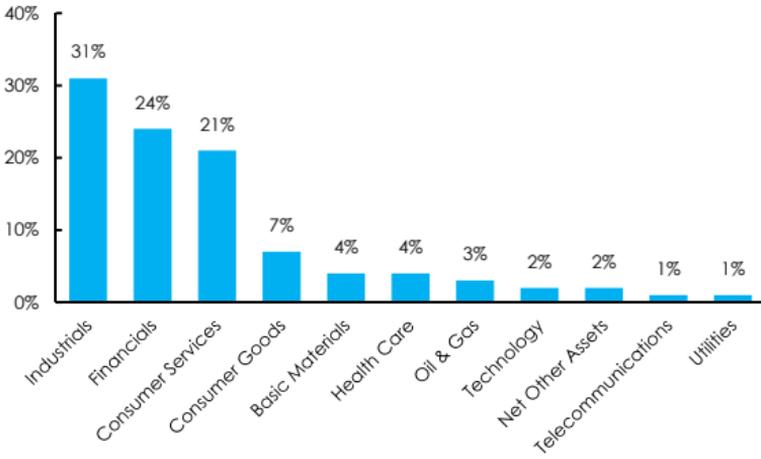
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

| Top 10 Holdings at 30 April 2018 | | Top 10 Holdings at 31 October 2017 | |
|-------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Holding | Percentage of Net Asset Value | Holding | Percentage of Net Asset Value |
| Weir Group | 1.51% | DS Smith | 1.43% |
| GVC | 1.43% | John Wood Group | 1.36% |
| Hammerson | 1.28% | Halma | 1.29% |
| Spirax-Sarco Engineering | 1.23% | Bellway | 1.29% |
| Hiscox | 1.23% | Weir Group | 1.26% |
| Rightmove | 1.22% | Just Eat | 1.26% |
| Bellway | 1.21% | Melose Industries | 1.21% |
| UBM | 1.11% | Spirax-Sarco Engineering | 1.19% |
| Babcock International Group | 1.09% | Meggitt | 1.15% |
| Meggitt | 1.09% | Hiscox | 1.13% |

Fund Holdings as at 30 April 2018



Fund Holdings as at 31 October 2017



Manager's Investment Report

During the period under review, the bid price of the Fund's I-Class distribution units rose by 0.48%. 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. On this basis, over the review period, the Fund rose by 0.40% on a capital only basis compared with the FTSE 250 Index increase of 0.53% (Source: Bloomberg), producing a tracking difference of -0.13%.

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

In the UK, both economic and political uncertainty have heightened over the last 12 months, as the June general election resulted in a hung parliament and Brexit negotiations began. The Bank of England voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum. Although UK equities performed well in 2017, the market has now recorded three consecutive months of losses as global uncertainties underlined sentiment. The market has been led higher by resource stocks, benefiting from the strength of commodity markets. Financials have also outperformed the broader market, led by shares in insurance companies while autos performed well, driven by a prolonged hostile takeover bid from Melrose Industries for component supplier GKN which eventually received shareholder approval and Melrose Industries being promoted to the FTSE 100 Index.

As a result, the domestically focused FTSE 250 Index (+0.28%) outperformed the more globally focused FTSE 100 Index (+0.22%) but underperformed the tail end of the FTSE All-Share, the FTSE Small Cap Index (+0.50%) (Source: Bloomberg).

Over the period, major sectors such as Food and Drug Retailers (+23.01%), Oil and Gas Producers (+17.27%), Software & Computer Services (+14.44%) and showed the largest positive returns; whilst the most underperforming sectors were Mobile Telecommunications (-39.44%), Fixed Line Telecommunications (-27.25%) and Personal Goods (-15.55%).

Manager's Investment Report continued

Fund Review

Companies held within the Fund are held with weightings generally proportionate to those of the benchmark 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 benchmark Index.

There were two Index rebalances during the period under review. At the semi-annual Index review in December 2017, there were seven additions to the Index. Institutional public sector services Babcock International Group, medical equipment manufacturer ConvaTec Group and resorts owner Merlin Entertainments were demoted from FTSE 100. Vehicle auction services BCA Marketplace, refractory products provider RHI Magnesita and automotive parts manufacturer TI Fluid Systems were added to the FTSE All-Share universe, whilst natural ingredients distributor PureCircle was promoted from FTSE Small Cap. Safety technology manufacturer Halma, packaging services provider DS Smith and restaurants delivery services provider Just Eat were promoted to FTSE 100 Index. Payments services Paypoint, independent operator Restaurant group and independent oil & gas producer Nostrum oil & gas were demoted to FTSE Small Cap Index. There were 17 changes to the free share capital of constituents with the largest increases being research provider IP Group, financial services provider Just Group and homes builder Redrow. The largest decreases being commercial properties operator Hansteen, fitted kitchen manufacturer Howden Joinery Group and automotive marketplace Auto Trader Group.

At the quarterly Index review in March, property developer Hammerson was demoted from FTSE 100, whilst war games manufacturer Games Workshop Group, online retailer On The Beach Group, power services ContourGlobal, financial services Charter Court Financial Services Group and food products manufacturer Bakkavor Group were all promoted from FTSE Small Cap. Postal service provider Royal Mail was promoted to FTSE 100 Index. Property services provider Mitie Group, respiratory treatments provider Vectura Group, real estate investment operator Hansteen, funeral services Dignity, insurance provider AA Plc, online retailer N Brown Group and mining company Acacia Mining were demoted to FTSE Small Cap. There were 20 changes to the free shares capital of constituents with the largest increases being retail distributor Ocado Group, product development and services Dechra Pharmaceutical and telecommunications services TalkTalk Telecom Group. The largest decreases were information technology provider Computacenter, technology engineering provider RPC Group and hedge fund Man Group.

Manager's Investment Report continued

The free float increased as a result of secondary placings for OneSavings Bank, 888, Pets at Home Group, TalkTalk Telecom Group, Ladbrokes Coral Group, Countryside Properties and Just Eat. Index weight increased as a result of primary placings for HomeServe, Shaftesbury and Primary Health Properties. Significant merger/acquisitions included cash and stock deals for Booker by Tesco and Ladbrokes Coral Group by GVC, whilst cash only deals were completed for Paysafe by Pi UK Bidco Ltd and Aldermore by FirstRand. Finally, four rights issues were raised for Cineworld Group (£1.7 billion), Provident Financial (£330 million), John Laing Group (£216 million), and Galliford Try (£157 million).

At the end of the period the Fund had holdings in all of the 198 companies in the Index. The three largest stocks in the Fund at the end of the period were Weir Group (1.51%), GVC (1.43%) and Hammerson (1.28%).

Outlook

Expectations that the Bank of England would opt to increase interest rates at its May meeting initially grew, then subsided as the downside surprise of Q1's growth figures were announced. Bond-correlated sectors had a better month as the uptick in bond yields witnessed so far in 2018 came to a halt, benefiting utilities and healthcare stocks. Our view is that the fundamentals driving economic growth remain relatively strong, and global growth is synchronised and therefore see limited recession risks in the next 12 months. The Fund remains well positioned to capture the performance of the Index.

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

Manager's Report and Accounts

A Copy of the Annual Long Form Manager's Report is available free of charge by telephoning 0370 050 0955, by writing to the Manager or is 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 0.04%, whilst the annualised Tracking Error since the launch of the Fund on 18 January 2017 to end of April 2018 is 0.06%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Minimum Investment Amounts

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

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

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

L-Class is 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.

Significant Changes

New Unit Class: R-Class

With effect from 1 June 2018, R-Class units have launched within the Fund, with accumulation and distribution units available.

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Fund and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Fund 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 UK Mid Cap Index Fund, 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 (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.

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

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One Coleman Street,

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Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

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by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

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Financial Conduct Authority**

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