

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

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this 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.

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.

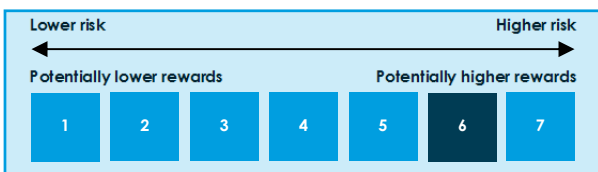
Trust Facts

Period End Date for Distribution:		24 Oct
Distribution Date:		24 Dec
Ongoing Charges Figures:	24 Oct 17	24 Oct 16
R-Class	0.83%	0.83%
F-Class	0.37%	0.37%
I-Class	0.15%	0.15%
C-Class	0.10%	0.10%

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 six 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 24 December 2017 is 0.4576p per unit for distribution units and 0.5103p per unit for accumulation units.

F-Class

The distribution payable on 24 December 2017 is 0.7087p per unit for distribution units and 0.8044p per unit for accumulation units.

I-Class

The distribution payable on 24 December 2017 is 0.8267p per unit for distribution units and 0.9748p per unit for accumulation units.

C-Class

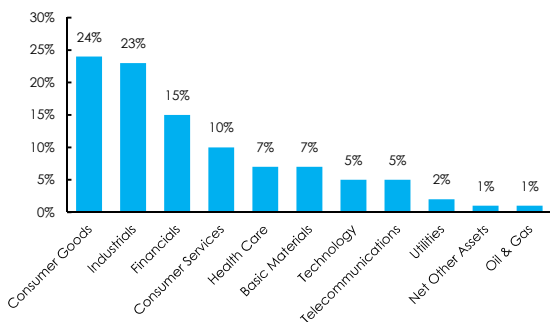
The distribution payable on 24 December 2017 is 0.8544p per unit for distribution units and 1.0117p per unit for accumulation units.

Portfolio Information

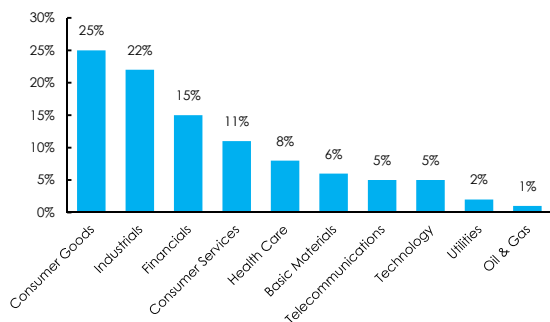
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 24 October 2017		Top 10 Holdings at 24 October 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Toyota Motor	4.23%	Toyota Motor	4.83%
Mitsubishi UFJ Financial	2.22%	Mitsubishi UFJ Financial	2.10%
SoftBank Group	2.01%	KDDI	1.70%
Honda Motor	1.43%	SoftBank Group	1.67%
Sumitomo Mitsui Financial	1.37%	Honda Motor	1.64%
KDDI	1.29%	Japan Tobacco	1.38%
Keyence	1.28%	Sumitomo Mitsui Financial	1.35%
Sony	1.24%	Mizuho Financial	1.26%
Mizuho Financial	1.18%	Sony	1.24%
Fanuc	1.14%	Fanuc	1.13%

Trust Holdings as at 24 October 2017



Trust Holdings as at 24 October 2016



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.67	38.96	33.40
Return before operating charges*	5.03	11.57	6.17
Operating charges (calculated on average price)	(0.42)	(0.34)	(0.32)
Return after operating charges*	4.61	11.23	5.85
Distributions on income units	(0.46)	(0.52)	(0.29)
Closing net asset value per unit	53.82	49.67	38.96
* after direct transaction costs of:	—	—	—

Performance

Return after charges	9.28%	28.82%	17.51%
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Other Information

Closing net asset value (£)	503,353,540	461,598,533	392,338,768
Closing number of units	935,225,404	929,418,795	1,007,157,126
Operating charges†	0.83%	0.83%	0.83%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.38p	50.31p	42.74p
Lowest unit price	46.68p	33.83p	33.51p

† 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	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	55.38	42.98	36.58
Return before operating charges*	5.61	12.78	6.75
Operating charges (calculated on average price)	(0.47)	(0.38)	(0.35)
Return after operating charges*	5.14	12.40	6.40
Distributions	(0.51)	(0.57)	(0.31)
Retained distributions on accumulation units	0.51	0.57	0.31
Closing net asset value per unit	60.52	55.38	42.98
* after direct transaction costs of:	—	—	—

Performance

Return after charges	9.28%	28.85%	17.50%
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Other Information

Closing net asset value (£)	60,184,617	57,114,192	50,643,099
Closing number of units	99,444,691	103,139,304	117,817,030
Operating charges†	0.83%	0.83%	0.83%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	60.64p	55.51p	46.81p
Lowest unit price	52.05p	37.33p	36.70p

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.76	39.03	33.47
Return before operating charges*	5.06	11.63	6.18
Operating charges (calculated on average price)	(0.19)	(0.14)	(0.15)
Return after operating charges*	4.87	11.49	6.03
Distributions on income units	(0.71)	(0.76)	(0.47)
Closing net asset value per unit	53.92	49.76	39.03
* after direct transaction costs of:	—	—	—

Performance

Return after charges	9.79%	29.44%	18.02%
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Other Information

Closing net asset value (£)	8,185	2,738	117,506
Closing number of units	15,180	5,502	301,063
Operating charges†	0.37%	0.37%	0.38%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.74p	50.83p	42.97p
Lowest unit price	46.79p	34.00p	33.64p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	56.49	43.65	36.98
Return before operating charges*	5.74	13.01	6.83
Operating charges (calculated on average price)	(0.21)	(0.17)	(0.16)
Return after operating charges*	5.53	12.84	6.67
Distributions	(0.80)	(0.84)	(0.52)
Retained distributions on accumulation units	0.80	0.84	0.52
Closing net asset value per unit	62.02	56.49	43.65
* after direct transaction costs of:	—	—	—

Performance

Return after charges	9.79%	29.42%	18.04%
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Other Information

Closing net asset value (£)	238,579	215,450	197,419
Closing number of units	384,694	381,420	452,318
Operating charges†	0.37%	0.37%	0.38%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	62.14p	56.84p	47.47p
Lowest unit price	53.12p	38.02p	37.16p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.62	38.92	33.37
Return before operating charges*	5.07	11.62	6.16
Operating charges (calculated on average price)	(0.08)	(0.06)	(0.06)
Return after operating charges*	4.99	11.56	6.10
Distributions on income units	(0.83)	(0.86)	(0.55)
Closing net asset value per unit	53.78	49.62	38.92
* after direct transaction costs of:	—	—	—

Performance

Return after charges	10.06%	29.70%	18.28%
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Other Information

Closing net asset value (£)	256,555,527	204,729,822	157,967,013
Closing number of units	477,058,030	412,558,664	405,842,931
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.71p	50.80p	42.79p
Lowest unit price	46.68p	33.87p	33.54p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	58.51	45.11	38.13
Return before operating charges*	5.97	13.47	7.05
Operating charges (calculated on average price)	(0.09)	(0.07)	(0.07)
Return after operating charges*	5.88	13.40	6.98
Distributions	(0.97)	(1.00)	(0.63)
Retained distributions on accumulation units	0.97	1.00	0.63
Closing net asset value per unit	64.39	58.51	45.11
* after direct transaction costs of:	—	—	—

Performance

Return after charges	10.05%	29.71%	18.31%
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Other Information

Closing net asset value (£)	346,552,117	372,901,774	251,187,468
Closing number of units	538,240,890	637,278,526	556,827,331
Operating charges†	0.15%	0.15%	0.15%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	64.51p	58.88p	48.89p
Lowest unit price	55.04p	39.26p	38.32p

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Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	49.61	38.91	33.37
Return before operating charges*	5.05	11.63	6.15
Operating charges (calculated on average price)	(0.05)	(0.04)	(0.04)
Return after operating charges*	5.00	11.59	6.11
Distributions on income units	(0.85)	(0.89)	(0.57)
Closing net asset value per unit	53.76	49.61	38.91
* after direct transaction costs of:	—	—	—

Performance

Return after charges	10.08%	29.79%	18.31%
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Other Information

Closing net asset value (£)	82,554,382	65,325,624	42,705,870
Closing number of units	153,561,267	131,683,320	109,748,218
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	54.72p	50.82p	42.88p
Lowest unit price	46.66p	33.92p	33.53p

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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

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	24/10/17 (pence per unit)	24/10/16 (pence per unit)	24/10/15 (pence per unit)
Opening net asset value per unit	58.57	45.13	38.13
Return before operating charges*	5.97	13.49	7.04
Operating charges (calculated on average price)	(0.06)	(0.05)	(0.04)
Return after operating charges*	5.91	13.44	7.00
Distributions	(1.01)	(1.03)	(0.65)
Retained distributions on accumulation units	1.01	1.03	0.65
Closing net asset value per unit	64.48	58.57	45.13
* after direct transaction costs of:	—	—	—

Performance

Return after charges	10.09%	29.78%	18.36%
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Other Information

Closing net asset value (£)	29,781,776	25,037,276	14,828,112
Closing number of units	46,186,600	42,745,429	32,855,012
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest unit price	64.61p	58.94p	49.01p
Lowest unit price	55.10p	39.35p	38.32p

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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 8.15%. 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 rose by 8.74% on a capital only basis, compared with the FTSE Japan Index increase of 8.81% (Source: Bloomberg), producing a tracking difference of -0.07%.

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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 when commodity-related and financial services sectors 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 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.

Japan was the best performing major market in local currency terms during September. Investors reacted favourably to Prime Minister Shinzo Abe's surprise decision to dissolve parliament and call an early general election. The leading sectors were energy, financials

Manager's Investment Report continued

and industrials while both utilities and telecommunications underperformed the broader market. Amongst financials, shares in leading banks Mitsubishi UFJ Financial, Mizuho Financial and Sumitomo Mitsui Financial rebounded. All three banks are expanding overseas as negative interest rates have eroded profitability in domestic markets. Several industrial stocks were boosted by the weakness of the Yen, including Fanuc – a global supplier of factory automation products capitalising on rapid growth in the robotics market.

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 no additions and no deletions. There were 44 changes to the free share capital of constituents with the largest increases being Aeon, LINE and PeptiDream and the largest decreases being Fujifilm, Nomura and Kao. The two-way Index turnover was 0.3%.

At the semi-annual Index review in March 2017, there were three additions to the Index, with the largest being Mebuki Financial, and no deletions. There were 64 changes to the free share capital of constituents, with the largest increases being Mizuho Financial, MINEBEA MITSUMI and Temp and the largest decreases being Mitsubishi, Olympus and Mitsubishi Heavy Industries. The two-way Index turnover was 1.0%.

The quarterly Index review in June 2017 resulted in no additions and no deletions. There were 376 changes to the free share capital of constituents with the largest increases being NTT, Recruit and Japan Airlines and the largest decreases being Toyota Motor and Mitsubishi UFJ Financial. The two-way Index turnover was 1.88%.

At the semi-annual Index review in September 2017, there were eleven additions to the Index, with the largest being Renesas Electronics, Mitsui Mining & Smelting and Ulvac; one deletion being Cookpad. There were 30 changes to the free share capital of constituents. The two-way Index turnover was 1.24%.

Outside the review, during the third quarter of 2017, Japan Post increased its float from 10% to 30% following a sale from the Japan Ministry of Finance. The total size being offered on the secondary market was £8.4 billion. In September 2016, Mitsubishi announced a tender offer on Lawson, increasing its stake from 33.4% to 50% in a deal worth £1.5 billion. The event was implemented in the Index on February 2017. In July 2017, Idemitsu Kosan undertook a secondary offering worth £738 million. In October 2017, Sumco announced an additional equity offering worth £188 million.

Manager's Investment Report continued

Outlook

There don't appear to be any big macroeconomic policy shifts at present. The Bank of Japan is on auto pilot and Kuroda is likely to serve a second term, as Abe remains in office. If or when the market begins searching for higher yields, then further small changes to monetary policy may be required. This would require core inflation to be persistently above 1% and on a rising trend. This is unlikely to occur for probably the next year. Most felt the Bank of Japan was out of ammunition, leaving fiscal policy as the only option to boost demand, but there is no appetite to use fiscal policy in today's stable environment beyond smoothing the fading of last year's supplementary budget. The big hope remains that US reflation takes hold which will keep the Bank of Japan buying Japanese government bonds and the Yen relatively weak. Equally, there were no concerns expressed with the Yen at current levels.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited

(Investment Adviser)

15 November 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 0.04%, whilst over the last three years to the end of October 2017, the annualised Tracking Error of the Trust is 0.03%. 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:

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

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 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 Changes

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the Trust. The initial commission was intended to reflect the costs incurred by the product provider and the intermediary for setting up and selling the business, however, Legal & General no longer consider it appropriate to continue to pay commission on such transactions.

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 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**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
JA11217

