

Legal & General Global Equity Index Fund
**Interim Manager's
Short Report
for the period ended
15 July 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Fund is to seek to provide both an income and capital growth by aiming to track the performance of the global equity markets, as represented by the FTSE World Index.

The Fund will invest primarily in the equities that make up the constituents of the FTSE World Index. Securities in the FTSE World 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 purpose of efficient portfolio management.

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 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 Dates for Distributions:	15 Jan, 15 Jul	
Distribution Dates:	15 Mar, 15 Sep	
Ongoing Charges Figures:	15 Jul 17	15 Jan 17
R-Class	0.98%	0.98%
E-Class	0.98%	0.98%
F-Class	0.63%	0.65%
I-Class	0.39%	0.39%
C-Class	0.28%	0.28%

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 is based on the rate at which the Fund and the Index it is tracking have moved up and down in the past.
- This Fund 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 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

R-Class

The distribution payable on 15 September 2017 is 1.5856p per unit for distribution units and 1.7376p per unit for accumulation units.

E-Class

The distribution payable on 15 September 2017 is 1.5856p per unit for distribution units and 1.7376p per unit for accumulation units.

F-Class

The distribution payable on 15 September 2017 is 1.9574p per unit for distribution units and 2.1742p per unit for accumulation units.

I-Class

The distribution payable on 15 September 2017 is 2.2001p per unit for distribution units and 2.4817p per unit for accumulation units.

C-Class

The distribution payable on 15 September 2017 is 0.8234p 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)
R-Class			
Distribution Units	1,436,082	698,782	205.51
Accumulation Units	12,599,241	5,555,306	226.80
E-Class			
Distribution Units	26,753,546	13,017,957	205.51
Accumulation Units	3,339,683	1,472,551	226.80
F-Class			
Distribution Units	583	282	206.74
Accumulation Units	165,604	71,536	231.50
I-Class			
Distribution Units	6,729,700	3,256,063	206.68
Accumulation Units	9,835,591	4,174,430	235.62
C-Class			
Accumulation Units	32,212,253	43,319,513	74.36

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.

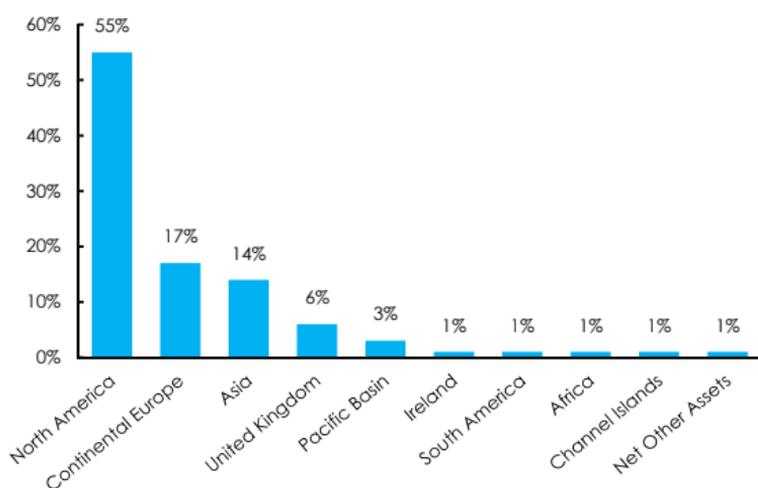
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

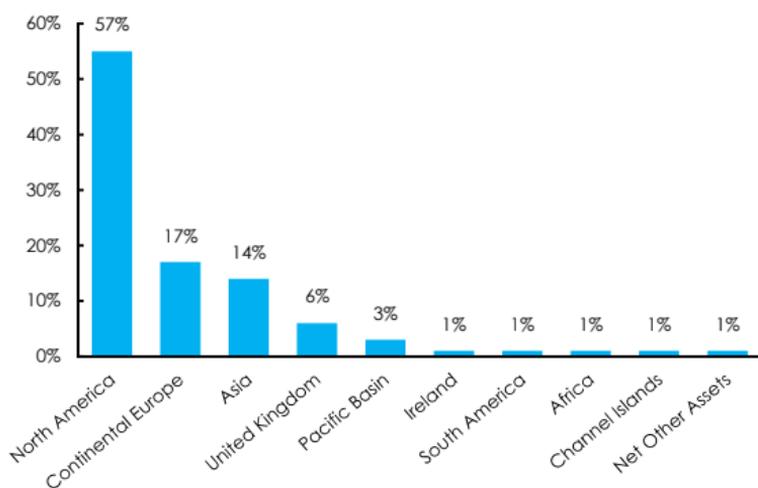
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 15 July 2017		Top 10 Holdings at 15 January 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Apple	1.90%	Legal & General	2.24%
Alphabet	1.42%	Japan Index Trust	1.72%
Microsoft	1.33%	Apple	1.30%
Amazon.com	0.98%	Alphabet	1.28%
Facebook	0.92%	Microsoft	1.28%
Johnson & Johnson	0.88%	Exxon Mobil	0.98%
Exxon Mobil	0.85%	JP Morgan Chase & Co	0.86%
JP Morgan Chase & Co	0.81%	Johnson & Johnson	0.85%
Nestle	0.66%	Amazon.com	0.85%
Wells Fargo	0.62%	Berkshire Hathaway 'B'	0.83%
		Facebook	0.77%

Fund Holdings as at 15 July 2017



Fund Holdings as at 15 January 2017



Manager's Investment Report

During the period under review, the bid price of the Fund's R-Class distribution units rose by 2.02%. 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 3pm. 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 1.87% on a capital only basis, compared with the FTSE World Index increase of 1.98% (Source: Bloomberg), producing a tracking difference of -0.11%.

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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

International equity markets struggled to make headway in June 2017 as the leading central banks signalled the prolonged era of ultra-loose monetary policy is coming to an end. The US Federal Reserve delivered its third 0.25% interest rate hike in six months, while signalling that it will begin unwinding its asset purchase programme in the autumn. Other central banks also gave guidance about the need to remove monetary accommodation with the ECB indicating policy settings will be tailored to improving economic conditions. European Central Bank President Mario Draghi's speech about reflationary forces and possible interest rate increases if business investment rebounds unsettled European equity markets. Japanese stocks outperformed other major markets in June 2017, with the Bank of Japan's quarterly Tankan survey highlighting business confidence is at its highest level for three years. Emerging markets recorded their sixth consecutive month of outperformance over developed markets, marking the best first half of the calendar year since 2009. Looking at sector performance, energy stocks came under pressure in June 2017 as a weaker Brent crude price indicated the OPEC production cut plan had failed to restore equilibrium in oil markets.

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.

Manager's Investment Report continued

The March 2017 semi-annual Index review resulted in 31 additions, of which the largest were IHS Markit (Bermuda) and IDEXX Laboratories (US). There were also 23 deletions, the largest being Alnylam Pharmaceuticals and Versum Materials (both US). There were a further 277 changes to the free share capital of constituents, with the largest increase being Dow Chemical (US) and the largest decrease being Apple (US). The changes resulted in two-way Index turnover of approximately 0.99%.

The June 2017 quarterly Index review resulted in three additions, of which the largest was ConvaTec Group (UK), and seven deletions with the largest being Actelion (US). There were a further 2,153 changes to the free share capital of constituents, with the largest increase being NTT (Japan) and the largest decrease being Wells Fargo (US). The changes resulted in two-way Index turnover of approximately 2.46%.

Outside the Index reviews, E.ON (Germany) had an increase in shares in issue following an equity offering; Credit Suisse Group (Switzerland) increased its capital via a rights issue worth CHF 4.1 billion and Panasonic (Japan) acquired Panasonic Industrial Devices (Japan – non-Index constituent).

At the end of the review period, the three largest countries in the Fund were US (50.8%), Japan (8.6%) and UK (6.2%), while the three largest stocks were Apple (1.9%), Alphabet (1.4%) and Microsoft (1.3%).

Outlook

For our medium-term framework for risk assets, which continues to point to a mildly cautious stance, we have four themes that influence our medium-term thinking.

First among those is our belief that interest rates are likely to be held down by the burden of poor demographics and heavy debt burdens. This “lower for longer” outlook does not imply being permanently bullish on bonds irrespective of the level of yields, but it does make us very sceptical about the “death of the bond market” and “great rotation” narratives. This gives us a bias to hold relatively stable, income-generating assets.

Second, policy divergence between the USA and the rest of the developed world is likely to persist. The Federal Reserve has already hiked interest rates three times while other central banks remain committed to easing. That puts secular upward pressure on the US dollar relative to other currencies and acts as a headwind to both commodities and emerging market equities.

Third, the new political paradigm is our recognition that politics now matters enough to have a first order impact on markets. Investors' obsessions with opinion polls and elections is warranted given the shocks of the last twelve months and implies that political shocks are likely to drive episodes of volatility.

Manager's Investment Report continued

Fourth, we need to remember the lingering risk of an extreme economic policy option in the form of temporary fiscal stimulus financed by permanent monetary expansion. It potentially puts an implicit floor under any significant sell-off in risk assets (especially in those countries, such as Japan, where it is most likely to be initiated).

The Fund remains well placed to capture the performance of the Index.

Legal & General Investment Management Limited

(Investment Adviser)

21 July 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 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 0.02%, whilst since the Fund became an index tracker, 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 +/- 0.75% per annum.

Minimum Investment Amounts

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

R-Class	£500
E-Class	£100,000
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 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.

Significant change - 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.

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

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

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London SE1 2RT

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

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