

Legal & General (N) Tracker Trust
**Interim Manager's
Short Report**
for the period ended
31 March 2018

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

L&G (N) Tracker Trust aims to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share Index will be held with weightings generally proportionate to their company's 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 holds investments 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:	31 Mar, 30 Sep	
Distribution Dates:	31 May, 30 Nov	
Ongoing Charges Figures:	31 Mar 18	30 Sep 17
A-Class Units	0.85%	1.05%
F-Class Units	0.35%	0.35%
I-Class Units	0.10%	0.10%
C-Class Units	0.06%	0.06%
CTF-Class Units	1.50%	1.50%

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 indicator 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 number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which the Index the Trust 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 Trust 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 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

A-Class

The distribution payable on 31 May 2018 is 2.5963p per unit for accumulation units.

F-Class

The distribution payable on 31 May 2018 is 3.2833p per unit for accumulation units.

I-Class

The distribution payable on 31 May 2018 is 2.9628p per unit for distribution units and 3.5337p per unit for accumulation units.

C-Class

The distribution payable on 31 May 2018 is 0.9069p per unit for distribution units and 1.0205p per unit for accumulation units.

CTF-Class

The distribution payable on 31 May 2018 is 1.8461p 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)
A-Class Accumulation Units	818,792,885	399,960,458	204.72
F-Class Accumulation Units	511	240	212.92
I-Class Distribution Units	181,942,118	101,965,145	178.44
Accumulation Units	73,515,831	33,977,114	216.37
C-Class Distribution Units	1,393,030	2,580,843	53.98
Accumulation Units	205,351,549	332,568,827	61.75
CTF-Class Accumulation Units	436,496,540	225,083,256	193.93

Past performance is not a guide to future performance.

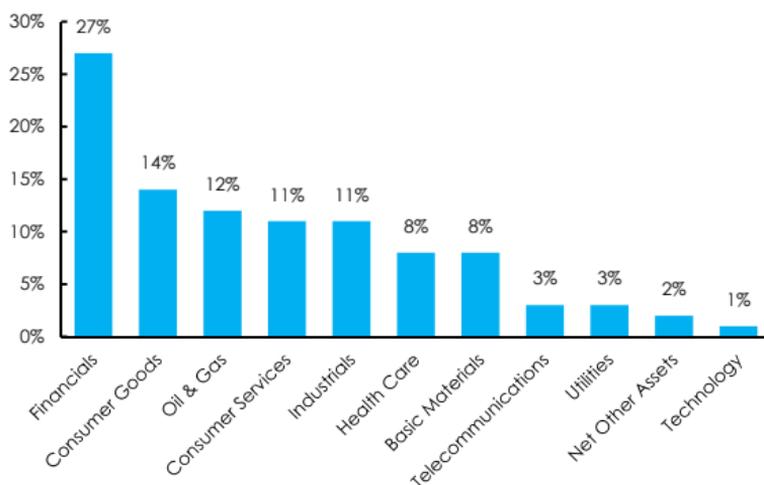
The price of units and any income from them may go down as well as up.

Portfolio Information

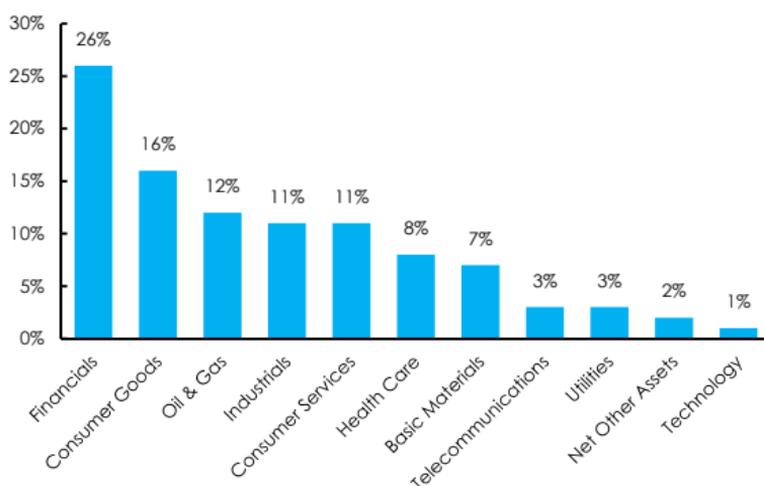
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 31 March 2018		Top 10 Holdings at 30 September 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC	5.72%	HSBC	6.08%
Royal Dutch Shell 'A'	4.44%	British American Tobacco	4.26%
BP	3.93%	Royal Dutch Shell 'A'	4.21%
British American Tobacco	3.91%	BP	3.78%
Royal Dutch Shell 'B'	3.68%	Royal Dutch Shell 'B'	3.56%
GlaxoSmithKline	2.89%	GlaxoSmithKline	2.99%
AstraZeneca	2.67%	AstraZeneca	2.55%
Diageo	2.54%	Diageo	2.53%
Vodafone Group	2.24%	Vodafone Group	2.27%
Prudential	1.99%	Unilever	2.13%

Trust Holdings as at 31 March 2018



Trust Holdings as at 30 September 2017



Manager's Investment Report

During the period under review, the bid price of the Trust's A-Class accumulation units fell by 2.57%. 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. On this basis, over the review period, the Trust fell by 3.86% on a capital only basis compared with the FTSE All-Share Index fall of 3.84% (Source: Bloomberg), producing a tracking difference of -0.02%.

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

Global equity indices ended the period broadly unchanged.

Although markets closed 2017 on a strong note, reflecting a steady improvement in global economic indicators and corporate earnings growth, selling pressures have emerged in recent months. Market volatility has risen markedly, particularly as trade tensions between the US and China have escalated. Over the review period as a whole, technology stocks performed well 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. More recently however, investors have favoured sectors perceived as less sensitive to the economic cycle, notably utilities.

Despite closing 2017 on a positive note, UK equities have faltered in recent months recording three consecutive months of losses. Sterling's strength, with the currency reaching its highest level since the 2016 referendum, surpassing \$1.40 at the end of January 2018, has caused a headwind for companies and sectors with high international earnings, notably healthcare and food & beverages. Investors were also unsettled by the latest guidance on monetary policy from the Bank of England, which cautioned that interest rates may need to be increased earlier and faster than previously expected. Autos have performed well, driven by a hostile takeover bid for auto component supplier GKN from Melrose Industries, which eventually received shareholder approval.

Manager's Investment Report continued

The best performing segments of the FTSE All-Share Index were the mid-cap FTSE 250 Index (-2.08%) and the FTSE SmallCap Index (-2.09%), that outperformed the large-cap FTSE 100 Index (-4.29%).

Over the review period, major sectors such as Technology Hardware & Equipment (+33.37%), Automobiles & Parts (+30.86%) and Industrial Metals & Mining (+19.89%) showed the largest positive returns; whilst the most underperforming sectors were Software & Computer Services (-23.87%), Fixed Line Telecommunications (-19.84%) and Food Producers (-19.11%).

Trust Review

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

There were two Index rebalances during the period under review. At the quarterly Index review in December 2017, there were six additions to the FTSE All-Share universe: BCA Marketplace, RHI Magnesita, Princess Private Equity (GBX), TI Fluid Systems, Charter Court Financial Services Group and GCP Asset Backed Income Fund 'C' Shares. HSS Hire Group was a sole deletion from the FTSE All-Share universe. The largest increases were oil exploration and refinery company Royal Dutch Shell 'A' and research company IP Group, whilst the largest decreases were mining company Anglo American and branded goods manufacturer Unilever.

At the quarterly Index review in March 2018, there were four additions to the FTSE All-Share universe: ContourGlobal, Sabre Insurance Group, Bakkavor Group and Aberdeen Standard European Logistics Income and Up Global Sourcing Holdings was deleted. The largest increases were oil exploration and refinery company Royal Dutch Shell 'A' and retail consumer products distributor Ocado Group, whilst the largest decreases were alcoholic beverages producer Diageo and mining stock Rio Tinto.

There was a considerable merger and acquisition activity occurring outside of the Index reviews including the following all cash deals: Novae Group was acquired by Axis Capital Holdings, Paysafe was acquired by Pi UK Bidco, Imagination Technologies Group was acquired by Canyon Bridge Capital, Jimmy Choo was purchased by Michael Kors Holdings (US), Aldermore Group and c Group were acquired for cash by FirstRand Ltd and Montagu Private Equity LLP respectively. All stock acquisitions included Amec Foster Wheeler by John Wood Group and Kennedy Wilson Holdings (US) acquiring their residual stake in Kennedy Wilson Europe Real Estate. Cash and stock deals included Booker acquisition by Tesco, Ladbrokes Coral Group acquisition by GVC and Worldpay Group acquisition by Vantiv (US).

Manager's Investment Report continued

Outside Index Reviews, there were numerous changes to the free share capital of constituents: Countryside Properties, Sophos Group, B&M European Value Retail were among those companies with free float increasing as a result of secondary placings.

Shaftesbury and Greencoat UK Wind were amongst the noteworthy primary placings. Primary Health Properties, Regional REIT, Xafinity, Target Healthcare REIT and Assura raised capital via Placing and Open Offer. Companies raising capital via rights issues included Galliford Try, John Laing Group, Provident Financial and Cineworld Group. Other notable events included Carillion deletion from the FTSE universe as company was placed into liquidation.

At the end of the review period the Trust had holdings in all of the 637 companies in the Index. The three largest stocks in the Trust at the end of the review period were Royal Dutch Shell (8.1%), HSBC (5.7%) and British American Tobacco (4.1%).

Outlook

Earlier in 2017 amid Brexit uncertainty most market participants anticipated Bank of England to keep rates on hold for a long time. However, following the latest stronger inflation data the Monetary Policy Committee adopted a more hawkish tilt indicating that some withdrawal of monetary stimulus was likely to be appropriate over the coming months. Lower trend growth and a weaker pound mean that if Bank of England doesn't hike rates, inflation could remain above target. But if it raises rates too fast, the economy could be hurt should downside risks materialise. As a result, the Bank of England increased interest rates by 0.25% to 0.5% on 2nd November. Overall, inflation is expected to remain above 2% this year so the Bank of England is likely to hike interest rates at some point. It can be expected the Bank of England mantra of "limited" and "gradual" to be reiterated in the following weeks and months.

Subsequently, signs that the Brexit negotiations are yielding little progress and a further round of subdued UK economic data reinforced the suggestion that businesses and individuals are likely to adopt a more cautious approach. UK is expected to negotiate a European Economic Area type long transition period with "No Deal" scenario remaining relatively high. Immigration from EU is expected to slow further. The economic growth has been revised down slightly for 2018 to 1.5% and in 2019 we expect GDP to grow at 1.6%.

Given this backdrop of uncertainty the Trust remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
25 April 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 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 period, the annualised Tracking Error of the Trust is 0.01%, whilst over the last three years to the end of March 2018, the annualised Tracking Error of the Trust is 0.02%. 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:

A-Class	£20
F-Class	£20
I-Class	£1,000,000
C-Class	£100,000,000
CTF-Class	£1

Regular monthly investments are available to those Unitholders who have a regular savings plan with the Manager. With the exception of the CTF-Class Accumulation units, the minimum regular monthly purchase of units in a unit trust is £20. With respect to CTF-Class Accumulation units, the minimum regular monthly payment is £1.

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.

The L&G (N) Tracker Trust CTF-Class units shall only be available to investors where the beneficial owner of the units is an eligible child within the definition of the requirements of the Child Trust Fund Act 2004.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust 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 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

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Trust and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Trust is operated.

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 PLC

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

KPMG LLP

15 Canada Square

London E14 5GL

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Financial Conduct Authority**

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