

Legal & General European Index Trust
**Annual Manager's
Short Report
for the year ended
31 July 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the European equity markets, as represented by the FTSE World Europe (excluding UK) Index, by investing in a representative sample of stocks selected from all economic sectors. Securities in the FTSE World Europe (excluding UK) 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 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.

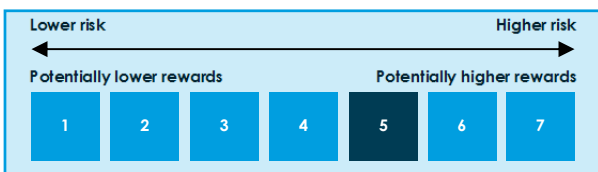
Trust Facts

Period End Date for Distribution:		31 July
Distribution Date:		30 September
Ongoing Charges Figures:	31 Jul 18	31 Jul 17
R-Class	0.78%	0.84%
F-Class	0.36%	0.36%
I-Class	0.12%	0.12%
C-Class	0.09%	0.09%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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 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

R-Class

The distribution payable on 30 September 2018 is 5.8241p per unit for distribution units and 8.0875p per unit for accumulation units.

F-Class

The distribution payable on 30 September 2018 is 7.1000p per unit for distribution units and 10.0696p per unit for accumulation units.

I-Class

The distribution payable on 30 September 2018 is 7.8212p per unit for distribution units and 11.5292p per unit for accumulation units.

C-Class

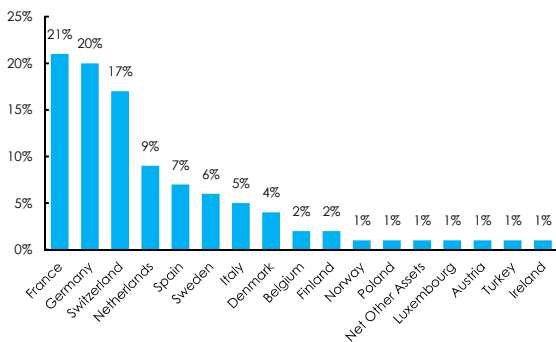
The distribution payable on 30 September 2018 is 7.9111p per unit for distribution units and 11.6821p per unit for accumulation units.

Portfolio Information

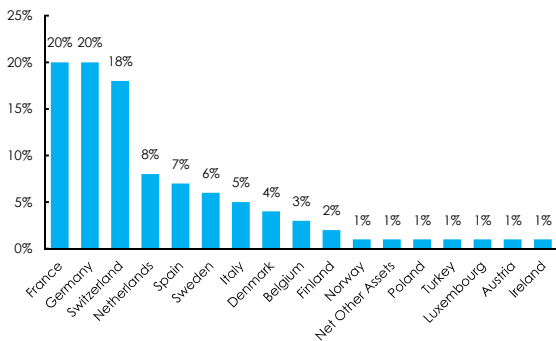
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 31 July 2018		Top 10 Holdings at 31 July 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Nestle	3.57%	Nestle	3.87%
Novartis	2.60%	Novartis	2.95%
Roche (Part Certified)	2.46%	Roche (Part Certified)	2.66%
Total	2.32%	Total	1.64%
SAP	1.60%	Bayer	1.54%
Siemens	1.53%	Sanofi	1.53%
Bayer	1.47%	Siemens	1.51%
Allianz	1.38%	Banco Santander	1.44%
Sanofi	1.32%	Allianz	1.41%
Banco Santander	1.28%	SAP	1.41%

Trust Holdings as at 31 July 2018



Trust Holdings as at 31 July 2017



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	284.01	233.27	224.14
Return before operating charges*	13.85	58.28	17.46
Operating charges (calculated on average price)	(2.23)	(2.18)	(1.82)
Return after operating charges*	11.62	56.10	15.64
Distributions on income units	(5.82)	(5.36)	(6.51)
Closing net asset value per unit	289.81	284.01	233.27
* after direct transaction costs of:	0.03	0.03	0.02

Performance

Return after charges	4.10%	24.05%	6.98%
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Other Information

Closing net asset value (£)	1,302,965,343	1,316,298,902	1,185,219,443
Closing number of units	449,585,768	463,462,038	508,081,090
Operating charges†	0.78%	0.84%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	296.90p	293.40p	240.10p
Lowest unit price	267.70p	227.30p	195.30p

† 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	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	394.38	317.95	297.11
Return before operating charges*	19.25	79.40	23.26
Operating charges (calculated on average price)	(3.10)	(2.97)	(2.42)
Return after operating charges*	16.15	76.43	20.84
Distributions	(8.09)	(7.30)	(8.63)
Retained distributions on accumulation units	8.09	7.30	8.63
Closing net asset value per unit	410.53	394.38	317.95
* after direct transaction costs of:	0.05	0.04	0.03

Performance

Return after charges	4.10%	24.04%	7.01%
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Other Information

Closing net asset value (£)	251,619,335	244,993,003	204,002,320
Closing number of units	61,291,032	62,120,895	64,162,231
Operating charges†	0.78%	0.84%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	412.30p	399.80p	318.40p
Lowest unit price	371.70p	309.80p	258.90p

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	284.43	233.63	224.48
Return before operating charges*	13.94	58.54	17.65
Operating charges (calculated on average price)	(1.04)	(0.95)	(0.82)
Return after operating charges*	12.90	57.59	16.83
Distributions on income units	(7.10)	(6.79)	(7.68)
Closing net asset value per unit	290.23	284.43	233.63
* after direct transaction costs of:	0.03	0.03	0.02

Performance

Return after charges	4.54%	24.65%	7.50%
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Other Information

Closing net asset value (£)	126,479	157,212	66,529
Closing number of units	43,579	55,273	28,476
Operating charges†	0.36%	0.36%	0.38%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	298.40p	295.60p	242.40p
Lowest unit price	269.40p	228.00p	196.40p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	403.39	323.65	301.01
Return before operating charges*	19.77	81.04	23.75
Operating charges (calculated on average price)	(1.47)	(1.30)	(1.11)
Return after operating charges*	18.30	79.74	22.64
Distributions	(10.07)	(9.41)	(10.30)
Retained distributions on accumulation units	10.07	9.41	10.30
Closing net asset value per unit	421.69	403.39	323.65
* after direct transaction costs of:	0.05	0.04	0.03

Performance

Return after charges	4.54%	24.64%	7.52%
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Other Information

Closing net asset value (£)	516,582	563,681	493,578
Closing number of units	122,503	139,735	152,504
Operating charges†	0.36%	0.36%	0.38%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	423.30p	409.40p	324.60p
Lowest unit price	382.10p	315.90p	263.40p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	284.11	233.38	224.25
Return before operating charges*	13.94	58.55	17.68
Operating charges (calculated on average price)	(0.34)	(0.32)	(0.26)
Return after operating charges*	13.60	58.23	17.42
Distributions on income units	(7.82)	(7.50)	(8.29)
Closing net asset value per unit	289.89	284.11	233.38
* after direct transaction costs of:	0.03	0.03	0.02

Performance

Return after charges	4.79%	24.95%	7.77%
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Other Information

Closing net asset value (£)	645,518,254	439,820,201	285,014,292
Closing number of units	222,678,712	154,807,010	122,122,682
Operating charges†	0.12%	0.12%	0.12%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	298.40p	295.40p	242.40p
Lowest unit price	269.10p	227.80p	196.50p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	418.80	335.21	310.97
Return before operating charges*	20.56	84.04	24.60
Operating charges (calculated on average price)	(0.51)	(0.45)	(0.36)
Return after operating charges*	20.05	83.59	24.24
Distributions	(11.53)	(10.77)	(11.49)
Retained distributions on accumulation units	11.53	10.77	11.49
Closing net asset value per unit	438.85	418.80	335.21
* after direct transaction costs of:	0.05	0.05	0.03

Performance

Return after charges	4.79%	24.94%	7.79%
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Other Information

Closing net asset value (£)	590,127,182	668,249,929	632,027,384
Closing number of units	134,471,425	159,561,595	188,549,367
Operating charges†	0.12%	0.12%	0.12%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	439.90p	424.30p	336.20p
Lowest unit price	396.70p	327.10p	272.60p

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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 Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	284.05	233.34	224.21
Return before operating charges*	13.95	58.54	17.69
Operating charges (calculated on average price)	(0.26)	(0.24)	(0.20)
Return after operating charges*	13.69	58.30	17.49
Distributions on income units	(7.91)	(7.59)	(8.36)
Closing net asset value per unit	289.83	284.05	233.34
* after direct transaction costs of:	0.03	0.03	0.02

Performance

Return after charges	4.82%	24.99%	7.80%
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Other Information

Closing net asset value (£)	180,350,112	179,290,489	121,429,453
Closing number of units	62,226,820	63,118,702	52,039,939
Operating charges†	0.09%	0.09%	0.09%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	298.40p	295.90p	242.40p
Lowest unit price	269.50p	227.40p	196.10p

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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	31/07/18 (pence per unit)	31/07/17 (pence per unit)	31/07/16 (pence per unit)
Opening net asset value per unit	419.45	335.62	311.26
Return before operating charges*	20.59	84.17	24.63
Operating charges (calculated on average price)	(0.38)	(0.34)	(0.27)
Return after operating charges*	20.21	83.83	24.36
Distributions	(11.68)	(10.91)	(11.61)
Retained distributions on accumulation units	11.68	10.91	11.61
Closing net asset value per unit	439.66	419.45	335.62
* after direct transaction costs of:	0.05	0.05	0.03

Performance

Return after charges	4.82%	24.98%	7.83%
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Other Information

Closing net asset value (£)	211,666,667	137,375,656	61,995,980
Closing number of units	48,143,628	32,751,380	18,472,049
Operating charges†	0.09%	0.09%	0.09%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest unit price	440.70p	425.60p	336.60p
Lowest unit price	398.00p	327.10p	272.30p

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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 2.18%. 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 re-valued using closing prices and foreign exchange rates. On this basis, over the review year, the Trust rose by 2.55% on a capital only basis, matching the performance of the FTSE World Europe (excluding UK) Index rise of 2.55% (Source: Bloomberg).

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The FTSE World Europe (excluding UK) Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

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Market/Economic Review

The global economic background has improved over the past twelve months, led by solid growth in the major developed economies, although recent indicators suggest there has been some loss of momentum, particularly in Europe. Despite a rise in commodity prices, with the oil price (Brent crude) recovering to \$79 per barrel in May, its highest level since 2014, inflationary pressures worldwide have remained subdued by historical standards.

The Eurozone economy grew at its fastest pace for a decade in 2017 although there was some loss of momentum during the first quarter of 2018 with a slowdown in Germany and France, the region's two largest economies. The European Central Bank (ECB) announced it would cease its monthly asset purchase programme by the end of 2018.

Trust Review

Companies 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.

At the Index review in September 2017, there were 18 additions, the largest of which were Banco BPM (Italy), Ubisoft Entertainment (France) and Logitech International (Switzerland)

Manager's Investment Report continued

and one deletion, Akcansa Cimento (Turkey). There were 53 changes to the free share capital of constituents with the largest increases being Intesa Sanpaolo, Covestro and Credit Suisse Group and the largest decreases being Roche, Deutsche Bank and Unilever, resulting in a total two-way Index turnover of 1.90%.

At the Index review in December 2017, there were three additions: Delivery Hero (Germany), ALD (France) and Dino Polska (Poland). There were also three deletions from the Index: Christian Dior (France), Idorsia (Spain) and Ryanair (Ireland). There were 41 changes to the free share capital of constituents with the largest increases being Intesa Sanpaolo, Telefonica and KOC and the largest decreases being Novartis, Clariant and Stora Enso 'R', resulting in a total two-way Index turnover of 0.71%.

The quarterly Index review in March 2018 resulted in 16 additions and no deletions. The largest additions were Rheinmetall (Germany), Georg Fischer (Switzerland) and Aalberts Industries (Netherlands). There were 44 changes to the free share capital of constituents with the largest increases being ASML, Delivery Hero and Total and the largest decreases being Novartis, Allianz and Nokia, resulting in a two-way Index turnover of 1.98%.

The quarterly Index review in June 2018 resulted in one addition and two deletions. The addition was Enerjisa Enerji (Turkey) and the deletions were Getinge and Arjo B (both Sweden). There were also 246 changes to the free share capital of constituents with the largest increases being Total, SAP and Bayer and the largest decreases being Daimler, Nestle and ABB resulting in a two-way Index turnover of 1.90%.

Outlook

The latest Eurozone Purchasing Managers Index (PMI), a measure of private sector activity which is a good leading indicator for economic growth, provided investors with some reassurance that the slowdown in regional economic activity recorded so far in 2018 is unlikely to be the start of a sustained downturn. With inflation remaining subdued the ECB has signalled interest rates are unlikely to be increased for the foreseeable future.

Legal & General Investment Management Limited
(Investment Adviser)
9 August 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 year, the annualised Tracking Error of the Trust is 0.27%, whilst over the last three years to the end of August 2018, the annualised Tracking Error of the Trust is 0.16%. 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	£100
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000

In addition, monthly contributions can be made into the R-Class with a minimum amount of £20, 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, platforms or other distributors in relation to their investment in units in the Trust and
- ii) 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

Change in Fund Management Fee (FMF)

With effect from 1 June 2018, the FMF for R-Class units have been reduced from 0.84% to 0.50%.

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.

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 European Index Trust, 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

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 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

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

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