Distribution Number 18

Legal & General Global Equity Index Fund

Interim Manager's Short Report for the period ended 15 July 2018

EVERY DAY MATTERS.®

Legal & General

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 purposes of efficient portfolio management.

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.

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

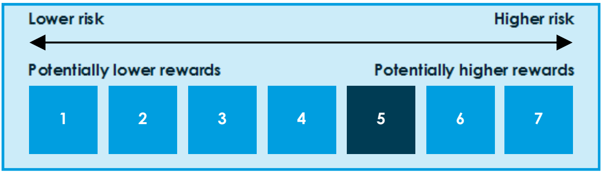
Period End Dates for Distributions:		15 Jan, 15 Jul
Distribution Dates:		15 Mar, 15 Sep
Ongoing Charges Figures:	15 Jul 18	12 Jan 18
R-Class	0.85%	0.98%
E-Class*	–	0.98%
F-Class	0.63%	0.63%
I-Class	0.39%	0.39%
C-Class	0.28%	0.28%

* The Fund's final accounting date, usually 15 January, was moved to 12 January 2018 in order to facilitate the closure of E-Class (See significant changes on page 9).

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 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 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

R-Class

The distribution payable on 15 September 2018 is 1.7358p per unit for distribution units and 1.9226p per unit for accumulation units.

F-Class

The distribution payable on 15 September 2018 is 2.0744p per unit for distribution units and 2.3384p per unit for accumulation units.

I-Class

The distribution payable on 15 September 2018 is 2.3479p per unit for distribution units and 2.6958p per unit for accumulation units.

C-Class

The distribution payable on 15 September 2018 is 0.8947p 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	28,459,840	12,854,397	221.40
Accumulation Units	20,411,272	8,258,730	247.15
F-Class			
Distribution Units	628	282	222.70
Accumulation Units	192,464	76,047	253.09
I-Class			
Distribution Units	13,103,713	5,884,986	222.66
Accumulation Units	16,561,434	6,413,929	258.21
C-Class			
Accumulation Units	40,541,889	49,694,986	81.58

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.

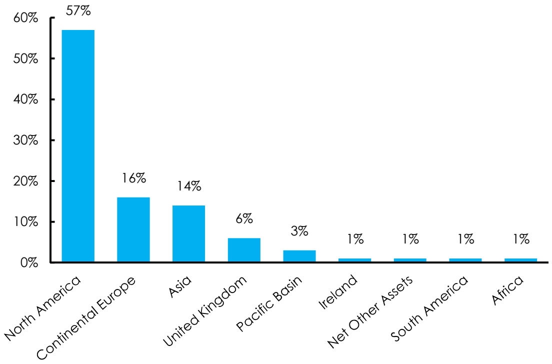
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

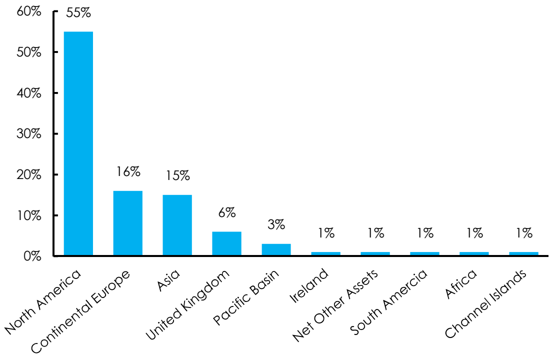
The top 10 holdings and their associated weighting at the current and preceding period ends were:

Top 10 Holdings at 15 July 2018		Top 10 Holdings at 12 January 2018	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Apple	2.17%	Apple	1.99%
Microsoft	1.79%	Alphabet	1.47%
Amazon.com	1.66%	Microsoft	1.46%
Alphabet	1.62%	Amazon.com	1.13%
Facebook	1.11%	Facebook	0.93%
JPMorgan Chase	0.81%	Johnson & Johnson	0.87%
Exxon Mobil	0.80%	JPMorgan Chase	0.86%
Johnson & Johnson	0.77%	Exxon Mobil	0.82%
Berkshire Hathaway 'B'	0.65%	Berkshire Hathaway 'B'	0.66%
Bank of America	0.61%	Bank of America	0.66%

Fund Holdings as at 15 July 2018



Fund Holdings as at 12 January 2018



Manager's Investment Report

During the period under review, the bid price of the Fund's R-Class distribution units rose by 0.98%. 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 3 pm. 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 0.43% on a capital only basis, matching the performance of the FTSE World Index increase of 0.43% (Source: Bloomberg).

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Market/Economic Review

Global equity indices overcame a turbulent first quarter over the period. Market volatility had risen markedly during the first quarter of 2018, particularly as trade tensions between the US and China escalated. However, a favourable economic background and encouraging corporate earnings announcements enabled markets to end the period on a firmer footing. Energy stocks performed well as the oil price reached $79 per barrel in May, its highest level since 2014. Technology and consumer discretionary stocks also performed well, boosted by a broadly encouraging second quarter reporting season. Financials were amongst the weakest sectors as the differential between 2-year and 10-year US Treasury bond yields reached its lowest point since 2007.

US equities have outperformed global indices over the last six months. There was a marked rise in market volatility during February and March. Initially, investors focused on inflationary pressures and the risk that the Federal Reserve may accelerate monetary tightening. Subsequently, US President Donald Trump's decision to impose tariffs on imported goods, particularly from China, have raised concerns over retaliatory measures and the disruptive impact of a prolonged trade dispute. Nevertheless, a positive corporate earnings backdrop and bullish economic indicators enabled the market to weather escalating global trade tensions. The cut in corporation tax, which came into effect early in 2018, has been a significant stimulus for both earnings and dividend growth.

Manager's Investment Report continued

UK equities faltered during the first quarter of 2018 before rallying to end the period in positive territory. Sterling's recent weakness has provided a boost for companies with substantial international earnings. Although the Bank of England indicated interest rates may need to be increased as soon as May, the economy grew at its slowest pace for six years during the first quarter, leading the Bank to adopt a more cautious approach and leave interest rates on hold. The resources sectors have performed well, while autos were boosted by a hostile takeover bid from Melrose Industries for component supplier GKN, which eventually received shareholder approval.

Returns from European equities have been disappointing, underperforming broader global stock markets over the period. During the second quarter, political concerns resurfaced most notably in Italy. Fears that the fledgling coalition government, comprising the populist Five Star Movement and the Northern League was on a collision course with the European Union, came to the fore, after the Italian President vetoed the appointment of a Eurosceptic finance minister. Subsequently, a new government was finally installed, ending weeks of deadlock. In Spain, the Socialist-led opposition succeeded in ousting Prime Minister Rajoy in the wake of a corruption scandal enveloping the ruling Popular party. As a result, renewed fears of a sovereign debt crisis in southern Europe drove down financial stocks, notably banks. Although the Eurozone economy grew at its fastest pace for a decade in 2017 there was some loss of momentum during the first half of this year with a slowdown in Germany and France – the region's two largest economies.

Asia Pacific equities delivered poor returns for Sterling-based investors, underperforming wider global equities but showing more resilience than emerging market indices. Notwithstanding broad confidence in the sustainability of the global economic recovery, concerns over simmering trade tensions weighed to some extent on export-orientated Asia Pacific companies.

Encouraging corporate earnings news helped Japanese equities to produce positive returns, even as optimism over the domestic economic outlook moderated. Australian equities also ended higher, buoyed by higher commodity prices and positive company news. However, Chinese, Indonesian and Korean equities struggled, reflecting fears over the growing risk of a global trade war.

Emerging market equities lost ground in Sterling terms as investors' appetite for risk dwindled amid concerns that US interest rates could rise more steeply and to a higher level than had been expected. Growing global trade war risks following the US's imposition of import tariffs further unsettled export-orientated emerging markets. Political and economic uncertainties weighed on Latin America. However, Asian markets demonstrated resilience amid optimism over the region's economic prospects. Indian equities ended higher on positive company updates and the perception that India's relatively closed economy and growing consumer market represent a 'safe haven' should global trade tensions escalate.

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.

The March semi-annual Index review resulted in 60 additions, of which the largest were SVB Financial and MSCI (both US). There were also 23 deletions, the largest being DST Systems (US) and Hotai Motor (Taiwan). There were a further 269 changes to the free share capital of constituents, with the largest increase being ASML (Netherlands) and the largest decrease being Apple (US). The changes resulted in two-way Index turnover of approximately 1.53%.

The June quarterly Index review resulted in 3 additions, of which the largest was Gulf Energy Development (Thailand), and 6 deletions with the largest being Getinge B (Sweden). There were a further 1,436 changes to the free share capital of constituents, with the largest increase being TOTAL (France) and the largest decrease being Apple (US). The changes resulted in two-way Index turnover of approximately 1.37%.

At the end of the period, the three largest countries in the Index were US (56.4%), Japan (8.7%) and UK (6.3%), while the three largest stocks were Apple (2.15%), Microsoft (1.83%) and Amazon.com (1.69%).

Outlook

From our perspective, there are three key risks of which to be mindful: that inflation could rise faster than expected, a further strengthened US Dollar which would squeeze other nations and trade wars. On the latter, the existing set of tariffs on steel, aluminium and solar panels are relatively small. However, it is the significant escalation that could cause wider issues. Escalation increases the risk of a more negative financial market reaction and damage to business and consumer confidence. While tariffs on steel and aluminium are less visible to consumers, widespread tariffs will hit high-profile consumer goods such as electronics and clothing. If a full-scale trade war becomes a reality, we see it as inflationary and negative for US, Chinese and global growth.

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

Legal & General Investment Management Limited
(Investment Adviser)
24 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 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 0.13%, whilst over the last three years to the end of July 2018, the annualised Tracking Error of the Fund is 0.13%. 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	£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 Fund 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 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.

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Significant Changes

Change in Fund Management Fee (FMF)

With effect from 1 June 2018, the FMF for R-Class units have been reduced from 0.98% to 0.77%.

Closure of E-Class

As at 12 January 2018, the E-Class was closed. All unitholders in the E-Class as at 12 January 2018 have been moved into the R-Class which is identical to the E-Class. The terms and charges are identical between the classes.

Change of Accounting Date

The Fund's Annual accounting date, usually 15 January, was moved to 12 January 2018 in order to facilitate the closure of E-Class as detailed above. As such, the Fund's corresponding distribution payment date, usually 15 March was moved to 12 March 2018. The accounting and distribution payment dates will revert to their normal dates after this event.

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.

Significant Changes continued

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 Global Equity 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
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Authorised and regulated by the Financial Conduct Authority

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

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