

Legal & General Multi-Index 5 Fund
(a Sub-fund of Legal & General
Multi-Index Funds)

**Interim Manager's
Short Report
for the period ended
15 February 2019**



Investment Objective and Policy

The aim of the Sub-fund is to generate capital growth and income, and to keep the Sub-fund within a pre-determined risk profile.

The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within the risk profile.

The Sub-fund will have exposure to equities, fixed income securities (both government and non-government), cash, and property.

The Sub-fund will have a bias towards equities.

To obtain this exposure, the Sub-fund will invest at least 75% in collective investment schemes which may also provide an indirect exposure to money market instruments, deposits, near cash and alternative asset classes (such as commodities). The Sub-fund will invest at least 50% in Index tracker schemes which are operated by Legal & General.

The Sub-fund may also invest directly in transferable securities (equity securities and fixed income securities), money market instruments, deposits, and cash and near cash.

The Sub-fund may use derivatives for Efficient Portfolio Management purposes only.

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic returns and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 5.

Risk Profile

Credit risk

This Sub-fund invests directly in bonds and in Collective Investment Schemes which hold financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed by monitoring the financial stability of investments and companies, via credit ratings.

Market risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-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.

Interest rate risk

This Sub-fund is invested in interest bearing securities and holds interest distributing funds. The performance of the Sub-fund may therefore be affected by changes in interest rates, through its holdings in these funds.

Currency risk

This Sub-fund holds overseas financial securities and Collective Investment Schemes which may invest in overseas financial securities. The performance of the Sub-fund may therefore be affected by changes in exchange rates. This risk is managed by the use of foreign currency futures, which aim to manage the effect of changing exchange rates.

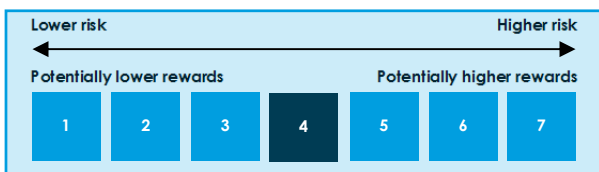
Sub-fund Facts

Period End Dates for Distributions:	15 Feb, 15 Aug	
Distribution Dates:	15 Apr, 15 Oct	
Ongoing Charges Figures:	15 Feb 19	15 Aug 18
R-Class	0.62%	0.74%
F-Class	0.51%	0.51%
I-Class	0.32%	0.32%
C-Class	0.25%	0.25%
L-Class	0.07%	0.07%

The Ongoing Charges Figure (OCF) is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, to the average net assets of the Sub-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 table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table above shows the Sub-fund's ranking on the Risk and Reward profile.
- The Sub-fund is in category four because the mix of different asset types in which the Sub-fund invests has a balancing effect on the rate at which the Sub-fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a fund in the lowest category is not a risk free investment.

The Sub-fund targets risk profile five as calculated by Distribution Technology. They are an independent agency who provide risk profiling tools to advisers and fund managers.

The Risk and Reward profile scale above is calculated differently to the Distribution Technology Risk Profiles. The Distribution Technology profiles range from 1 to 10 with 10 being the highest (rather than a scale of 1 to 7 for the Risk and Reward profile).

More information on the Distribution Technology risk profiles is shown in the Prospectus. Alternatively you can contact us with any queries.

Distribution Information

R-Class

The distribution payable on 15 April 2019 is 0.4094p per unit for distribution units and 0.4206p per unit for accumulation units.

F-Class

The distribution payable on 15 April 2019 is 0.5514p per unit for distribution units and 0.6014p per unit for accumulation units.

I-Class

The distribution payable on 15 April 2019 is 0.5977p per unit for distribution units and 0.6619p per unit for accumulation units.

C-Class

The distribution payable on 15 April 2019 is 0.6154p per unit for distribution units and 0.6839p per unit for accumulation units.

L-Class

The distribution payable on 15 April 2019 is 0.6604p per unit for distribution 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	160,795	312,296	51.49
Accumulation Units	5,417,701	10,174,327	53.25
F-Class			
Distribution Units	883	1,351	65.36
Accumulation Units	2,115,528	2,925,643	72.31
I-Class			
Distribution Units	47,769,706	73,102,026	65.35
Accumulation Units	761,279,132	1,042,532,793	73.02
C-Class			
Distribution Units	10,241,454	15,678,674	65.32
Accumulation Units	139,206,714	190,084,947	73.23
L-Class			
Distribution Units	1,014	1,552	65.34

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.

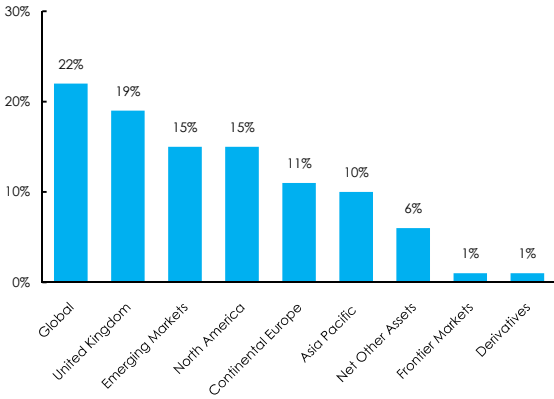
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

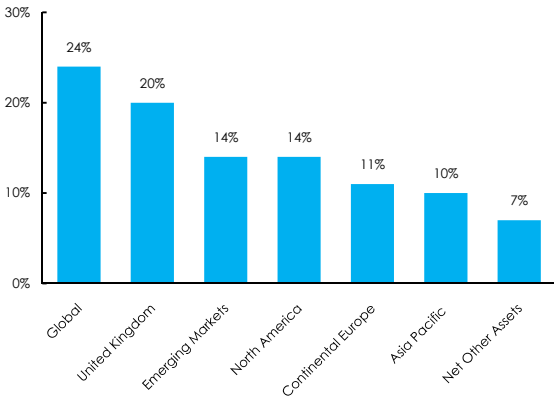
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 15 February 2019		Top 10 Holdings at 15 August 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Legal & General US Index Trust 'I' Inc	12.99%	Legal & General US Index Trust 'I' Inc	13.38%
Legal & General UK Index Trust 'L' Inc	11.31%	Legal & General UK Index Trust 'L' Inc	11.79%
Legal & General European Index Trust 'I' Inc	9.24%	Legal & General European Index Trust 'I' Inc	8.98%
Legal & General Sterling Corporate Bond Index Fund 'L' Inc	8.03%	Legal & General Sterling Corporate Bond Index Fund 'L' Inc	8.07%
Legal & General Japan Index Trust 'I' Inc	6.15%	Legal & General Japan Index Trust 'I' Inc	6.42%
Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	5.75%	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	5.95%
LGIM Global Corporate Bond Fund 'B' Acc	4.94%	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	4.85%
Legal & General Global Emerging Markets Index Fund 'L' Inc	4.71%	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	4.29%
Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	4.28%	LGIM Global Corporate Bond Fund 'B' Acc	4.27%
Legal & General Pacific Index Trust 'I' Inc	4.05%	Legal & General Pacific Index Trust 'I' Inc	3.96%

Sub-fund Holdings as at 15 February 2019



Sub-fund Holdings as at 15 August 2018



Manager's Investment Report

During the period under review, the bid price of the Sub-fund's F-Class Accumulation units fell by 0.47%.

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

Market/Economic Review

Global equity indices' performance turned negative for the year at the end of 2018, although they staged a recovery in early 2019.

Markets became increasingly volatile as the year ended, recording heavy losses before regaining some lost ground in January.

Concerns that the Federal Reserve was raising US interest rates too quickly, the risk of a prolonged government shutdown in the US, the ongoing US-China trade dispute and weaker global economic indicators all combined to trigger widespread risk aversion amongst investors. The healthcare sector performed well, boosted by robust earnings growth. As global economic prospects became more uncertain, technology stocks struggled while the energy sector performed poorly, as the oil price fell back to a 15-month low in December. Since then, however, we have seen a recovery. Both risk assets and rates generated positive returns during the early part of 2019. Real Estate Investment Trusts (REITs) and US equities led the way. In addition, emerging market equities and emerging market debt (hard currency) were standout performers.

The major international bond markets outperformed equities.

As 2018 ended, the marked rise in equity market volatility highlighted the 'safe haven' appeal of government bonds. Central banks have continued to withdraw the extraordinary monetary support that has been in place since the global financial crisis.

The US Federal Reserve (Fed) raised interest rates in September and again in December, before calling a halt to its programme of a rate hikes citing a combination of slowing global growth, the ongoing US-China trade dispute and tighter financial conditions.

During 2019 so far, credit has delivered positive returns, as have gilts, bunds and US treasuries. Nor is this confined to nominal debt, as inflation-linked bonds posted positive returns during January.

Sub-fund Review

The Sub-fund produced a negative return over the period under review.

After a strong 2018, risk assets tumbled during December, led by US equities, which had been the stand-out performers of the year. Against this backdrop, US and UK equities damaged portfolio performance the most, followed by European and Japanese equities. Conversely, emerging market local currency debt was a positive contributor. However, a broad recovery during the first quarter of 2019 reversed this underperformance, with US equities

Manager's Investment Report continued

and REITs leading the way. Developed market equity performance added to portfolio returns the most. There were no significant detractors.

During the early part of the year, we added a new allocation to frontier market equities, accessed via the Legal & General Frontier Markets Index Fund. This is a relatively small allocation in the sub-fund, which is intended to enhance portfolio diversification and take advantage of the return potential that these countries' stocks can offer. Meanwhile, we closed the European utilities position after strong performance on an absolute and relative basis against European equities.

Outlook

In our asset allocation, we intend to balance caution with an appetite for growth. Our view is that US fundamentals remain solid, but also, we see this year as the start of the twilight zone between expansion and a downturn marking the end of the cycle.

Our research suggests that equity bull markets tend to end suddenly, so de-risking a few months too early can be as problematic as a few months too late. However, those hoping for a return to tranquility may be disappointed and we believe this is an environment where a point forecast for equities at the end of the year is increasingly difficult to pin down. As such, at this stage we'll tend to lean against strong investor sentiment in either direction.

The recent dovish shift from the US Federal Reserve (Fed) seems to have given equity markets the leg-up they needed, and in the broader setting it may mean we are further from the end of the economic cycle than we previously thought. In this context, we continue to hold our neutral position in risk assets, currently preferring European and Japanese to broad US stocks, while also favouring the technology and US energy sectors. We expect continued pressure on credit markets. However, consistent with our constructive outlook for emerging market fundamentals, emerging market debt (both hard and local currency) looks increasingly interesting.

One important concern is the potential for a persistent change in the relationship between equities and bonds. Bonds' shock-absorbing capacity could disappear when an inflationary mind-set takes hold. We also think we may continue to see pressure on the Euro as Brexit negotiations go to the wire and lacklustre growth appears to weaken further as Italy has tipped into recession.

Legal & General Investment Management Limited

(Investment Adviser)

15 March 2019

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.

EU Savings Directive

The Sub-fund has been reviewed against the requirements of the Directive 2003/48/EC on Taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the directive, information is collected about the payment of distributions to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with Tax authorities in those countries.

The Sub-fund falls within the 25% debt investment reporting threshold. This means that details of all distributions and redemption proceeds paid to non UK investors will be reported by Legal & General (Unit Trust Managers) Limited to HM Revenue & Customs to be exchanged with the relevant Tax authorities.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Sub-fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Sub-fund in the form of a payment from the Manager. This provides an enhanced return to the Sub-fund, through the size of any return will be dependent on the size of subscriptions and redemptions.

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
L-Class	£500,000

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 Sub-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 available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

L-Class units are not available to customers and are intended only for investment by Legal & General group of companies.

Other Information

The information in this report is designed to enable unitholders to understand how the Sub-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 Sub-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 SE UK Branch

Trustee and Depositary Services

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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