

Legal & General UK 100 Index Trust
**Interim Manager's
Short Report
for the period ended
2 November 2018**



Investment Objective and Policy

The objective of the Trust is to track the capital performance of the UK equity market as represented by the FTSE 100 Index.

Securities in the FTSE 100 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.

The Trust 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.

Trust Facts

Period End Dates for Distributions:		5 May, 2 Nov*
Distribution Dates:		5 Jul, 2 Jan*
Ongoing Charges Figures:	2 Nov 2018	5 May 18
R-Class	0.51%	0.82%
E-Class	0.51%	0.82%
F-Class	0.34%	0.34%
I-Class	0.10%	0.10%
C-Class	0.06%	0.06%

* See Significant Changes on page 9.

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 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 2 January 2019 is 2.7354p per unit for distribution units and 3.9489p per unit for accumulation units.

E-Class

The distribution payable on 2 January 2019 is 3.4476p per unit for accumulation units.

F-Class

The distribution payable on 2 January 2019 is 2.8867p per unit for distribution units and 4.2770p per unit for accumulation units.

I-Class

The distribution payable on 2 January 2019 is 3.0523p per unit for distribution units and 4.7740p per unit for accumulation units.

C-Class

The distribution payable on 2 January 2019 is 3.0809p per unit for distribution units and 4.8304p 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	12,582,255	8,992,288	139.92
Accumulation Units	156,083,666	75,787,883	205.95
E-Class			
Accumulation Units	15,568,045	8,656,622	179.84
F-Class			
Distribution Units	1,191	848	140.45
Accumulation Units	153,495	72,299	212.31
I-Class			
Distribution Units	39,013,211	27,905,778	139.80
Accumulation Units	486,428,156	217,797,857	223.34
C-Class			
Distribution Units	97,342,541	69,636,106	139.79
Accumulation Units	126,380,934	56,433,589	223.95

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.

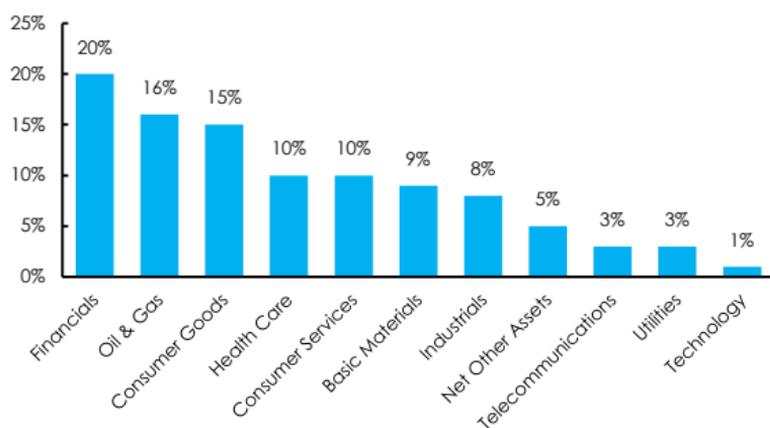
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

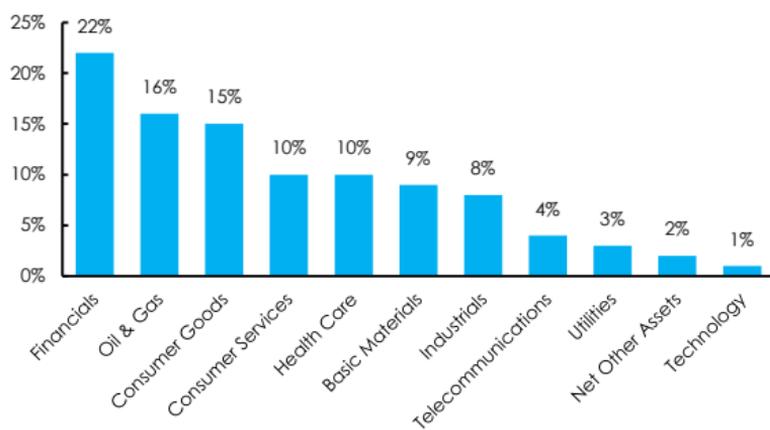
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 2 Nov 2018		Top 10 Holdings at 5 May 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC	6.73%	HSBC	7.08%
BP	5.51%	Royal Dutch Shell 'A' (Dutch listing)	5.52%
Royal Dutch Shell 'A' (Dutch listing)	4.99%	BP	5.36%
Royal Dutch Shell 'B'	4.76%	Royal Dutch Shell 'B'	4.90%
British American Tobacco	3.93%	British American Tobacco	4.46%
AstraZeneca	3.80%	GlaxoSmithKline	3.55%
GlaxoSmithKline	3.76%	AstraZeneca	3.31%
Diageo	3.27%	Diageo	3.24%
Rio Tinto	2.33%	Vodafone Group	2.82%
Unilever	2.32%	Prudential	2.46%

Trust Holdings as at 2 Nov 2018



Trust Holdings as at 5 May 2018



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 4.55%. 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 6.25% on a capital only basis, compared with the FTSE 100 Index fall of 6.25% (source: Bloomberg), producing no tracking difference.

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.

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

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Market/Economic Review

Despite closing 2017 on a positive note, UK equities faltered during the first quarter of 2018, recording three consecutive months of losses before rallying in April and May. Initially, Sterling strengthened, with the currency reaching its highest level since the 2016 referendum, surpassing \$1.40 at the end of January. This caused a headwind for companies and sectors with high international earnings, notably food & beverages. Subsequently, the currency weakened, providing a boost for the same companies. 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 of 2018, leading the Bank to adopt a more cautious approach, raising its benchmark base rate to 0.75% in August. The energy and healthcare sectors performed well, boosted by the strength of the oil price and merger and acquisition activity respectively. Companies with significant exposure to emerging markets underperformed, notably mining companies and financials. UK equities struggled in August as Brexit-related headlines intensified, along with the probability attached to a no deal scenario.

Major sectors such as Industrial Metals & Mining (+13.75%), Fixed Line Telecommunications (+12.66%) and Electronic & Electrical Equipment (+8.57%) showed the largest positive returns during the review period, whilst Industrial Transportation (-38.59%), Mobile Telecommunication (-28.49%) and Electricity (-17.27%) were the worst performing sectors.

Manager's Investment Report continued

In the UK, the domestically focused FTSE 250 Index (-5.37%) outperformed and FTSE SmallCap Index (-6.47%) under-performed the more internationally focused FTSE 100 Index (-6.25%).

Trust Review

The Trust holds all 100 companies in the Index, with weightings generally in line with 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 reviews during the reporting period. The annual Index review in June 2018 resulted in two additions; Retail distributor Ocado Group and E-gaming operator GVC promoted from the FTSE 250 Index replacing the demoted security company G4S and medical facilities operator Mediclinic International. There were 68 changes to the free share capital of constituents with the largest increases being BP, Royal Bank of Scotland Group and GlaxoSmithKline. The largest decreases being Melrose Industries, Rio Tinto and Unilever.

At the quarterly Index review in September 2018, there were no additions or deletions. There were 15 changes to the free share capital of constituents with the largest increases being Melrose Industries, Standard Life Aberdeen and National Grid and the largest decreases being Unilever, Ocado Group and Aviva.

There were a number of noteworthy mergers and acquisitions: Comcast won an auction to acquire Sky for \$39 billion outbidding 21st Century Fox after a lengthy takeover battle. Sky was replaced by the engineering and technical services company John Wood Group, who made a return to the blue chip Index after a five year absence. Old Mutual continued its break up as the insurer spun-off Quilter and then subsequently changed its domicile from UK to South Africa. Quilter was temporarily included in the FTSE 100 Index before being demoted to the FTSE 250 Index, whilst property website operator, Rightmove replaced Old Mutual in the FTSE 100 Index.

Significant Index changes included RELX increasing its weight in the Index as a result of simplifying its corporate structure, moving from the dual parent holding company structure to a single parent company domiciled in UK. Royal Bank of Scotland Group increased its free float as a result of HMRC selling a portion of their stake and reducing its holding to 62.40%.

At the end of the review period the Trust had holdings in all 100 companies in the Index. The three largest stocks in the Index at the end of the review period were Royal Dutch Shell (11.03%), HSBC (7.07%) and BP (5.67%).

Manager's Investment Report continued

Outlook

Following the rate hike in August to 0.75%, the BoE is likely to keep any further increases on hold until next year. Despite above-target inflation, the BoE will be wary to hike again in the midst of a congested Brexit timetable. Better fiscal position opens up space for further easing, more likely to be deployed ahead of next election, e.g. NHS spending. We have maintained our UK economic growth rate expectation at 1.3% in 2018 and 1.5% in 2019. A 'No Deal' Brexit scenario is still possible, however we see this as being an unlikely event. Headline inflation is expected to stay below 3% unless oil rises further. Our view is that the fundamentals driving economic growth remain relatively strong, and global growth is synchronised and therefore see limited recession risks in the next 12 months.

Legal & General Investment Management Limited
(Investment Adviser)
26 November 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 0.07%, whilst over the last three years to the end of October 2018 the annualised Tracking Error of the Trust is 0.12%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.5% 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 per month and with a minimum amount of £50 per month into the F-Class.

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 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.

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

Closure of E-Class

As at 2 November 2018, the E-Class was closed. All unitholders in the E-Class as at 2 November 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 in Fund Management Fee (FMF)

With effect from 1 June 2018, the FMF for E-Class and R-Class units has been reduced from 0.82% to 0.48%.

Change of Accounting Date

The Trust's Interim accounting date, usually 5 November, has been moved to 2 November 2018 in order to facilitate the closure of E-Class as detailed above. As such, the Trust's corresponding distribution payment date, usually 5 January will be made on 2 January 2019. The accounting and distribution payment dates will revert to their normal dates after this event.

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

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 London

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(Unit Trust Managers) Limited

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