

Legal & General US Index Trust
**Interim Manager's
Short Report
for the period ended
5 June 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the US equity market, as represented by the FTSE USA Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE USA 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 Dates for Distributions:	5 Jun, 5 Dec	
Distribution Dates:	5 Aug, 5 Feb	
Ongoing Charges Figures:	5 Jun 18	5 Dec 17
R-Class	0.65%	0.82%
F-Class	0.34%	0.34%
I-Class	0.10%	0.10%
C-Class	0.06%	0.06%

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 5 August 2018 is 1.5378p per unit for distribution units and 1.7784p per unit for accumulation units.

F-Class

The distribution payable on 5 August 2018 is 2.5055p per unit for distribution units and 2.9608p per unit for accumulation units.

I-Class

The distribution payable on 5 August 2018 is 2.9978p per unit for distribution units and 3.6981p per unit for accumulation units.

C-Class

The distribution payable on 5 August 2018 is 3.0794p per unit for distribution units and 3.8047p 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	1,025,365,614	247,818,334	413.76
Accumulation Units	292,053,179	60,835,857	480.07
F-Class			
Distribution Units	413,652	99,843	414.30
Accumulation Units	2,518,068	511,107	492.67
I-Class			
Distribution Units	853,327,642	206,095,924	414.04
Accumulation Units	590,476,560	114,783,744	514.43
C-Class			
Distribution Units	197,511,018	47,707,917	414.00
Accumulation Units	655,918,351	127,281,248	515.33

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.

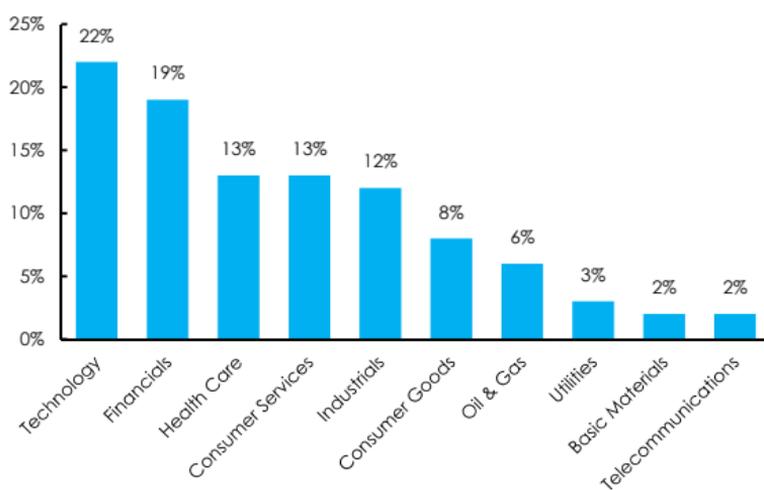
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

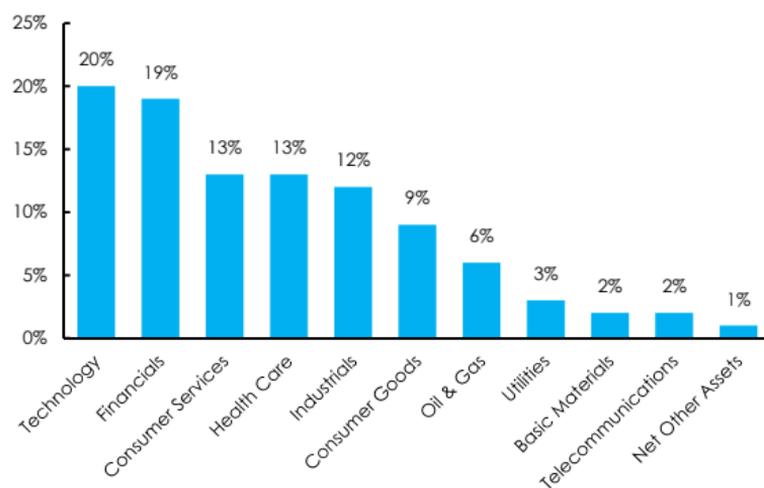
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 5 June 2018		Top 10 Holdings at 5 December 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Apple	3.99%	Apple	3.77%
Microsoft	3.13%	Microsoft	2.61%
Alphabet	2.81%	Alphabet	2.58%
Amazon.com	2.76%	Amazon.com	1.93%
Facebook 'A'	1.88%	Facebook 'A'	1.72%
JPMorgan Chase & Co	1.51%	Johnson & Johnson	1.60%
Exxon Mobil	1.40%	JPMorgan Chase & Co	1.60%
Johnson & Johnson	1.35%	Exxon Mobil	1.50%
Bank of America	1.13%	Bank of America	1.21%
Intel	1.09%	Wells Fargo	1.10%

Trust Holdings as at 5 June 2018



Trust Holdings as at 5 December 2017



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units rose by 5.06%. 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 3pm. Therefore, for tracking purposes, the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review period, the Trust rose by 5.65% compared with the FTSE USA Index increase of 5.69% (Source: Bloomberg), producing a tracking difference of -0.04%.

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

US equities recorded a new all-time high in January, boosted by Congressional approval for the Trump administration's tax reforms which included a substantial cut in corporation tax. However, there was a marked rise in volatility during February and March. Initially, investors focused on inflationary pressures and the risk that the Federal Reserve may accelerate monetary tightening. Subsequently, the Trump administration's decision to impose tariffs on imported goods, particularly from China, raised concerns over retaliatory measures and a prolonged trade dispute. Nevertheless, the first quarter reporting season has highlighted strong earnings momentum, with analysts making upward revisions to their expectations for 2018, enabling the market to recover lost ground.

Over the period, the FTSE USA Index underperformed the FTSE World Index by 2.4%. The best performing sectors over the period were General Retailers (25.3%), Leisure Goods (+20.6%) and Software & Computer Services (+18.3%), whilst the worst performing sectors were Tobacco (-22.8%), Household Goods & Home Construction (-16.9%) and Life Insurance (-11.0%). The US Dollar strengthened, appreciating +0.9% against Sterling.

Trust Activity

Companies held 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.

Manager's Investment Report continued

The December 2017 quarterly Index review resulted in no additions and 3 deletions, JBG Smith Properties, TEGNA and Cars.com. There were 161 changes to the free share capital of constituents, with the largest increases being Berkshire Hathaway 'B', Infrastructure software firm Oracle and IQVIA, which focuses on technology solutions to the health care industry. The largest decreases were Apple and financial services firms JPMorgan Chase & Co and Citigroup. The Two-way Index turnover was 0.9%.

The March 2017 Index review resulted in 13 additions, the largest of which were SVB Financial, investment solutions firm MSCI and CoStar which sits in the Information Services sector. There were also 7 deletions from the Index. These included Payment & data processor DST Systems, Consumer finance firm Navient and Bed Bath & Beyond, the home products stores. There were 142 changes to the free share capital of constituents, with the largest increases being Amazon.com and Facebook 'A'. The largest decreases were for Apple, Allergan and financial services firms, Citigroup and Bank of America. Two-way Index turnover was 1.4%.

Index changes outside of the review were relatively quiet for the period. In late December, Bard (C.R.) was deleted from the Index following a cash and stock takeover by fellow Index constituent Becton Dickinson. Similarly, Scripps Networks Interactive, the television and internet company was deleted following a USD \$15 billion cash and stock deal with Index constituent Discovery Communications.

For 2018, the only significant event outside of the reviews was General Dynamics USD \$9.6 billion cash acquisition of IT Solutions firm CSRA.

The three largest Index constituents at the end of the period were Apple (4.0%), Microsoft (3.1%) and Amazon.com (2.8%).

Outlook

The key driver of equity prices in the coming months is likely to be the ebb and flow of trade discussions. In relation to the North America Free Trade Agreement (NAFTA), the base case remains that an agreement will be reached, which should be positive for equity markets.

The outlook for equities remains neutral, as although we are in a late cycle, the chance of recession remains low. In addition, the fiscal stimulus (Trump's tax reform) continues to provide a tailwind to US growth, which although inflationary in the long run, is likely to be beneficial for equities over the short to medium term.

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

Legal & General Investment Management Limited
(Investment Adviser)
29 June 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 0.04%, whilst over the last three years to the end of May 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:

R-Class	£500
(£100 with effect from 25 June 2018)	
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000

In addition, monthly contributions can be made into the F-Class with a minimum amount of £50 per month and with a minimum amount of £20 per month into the R-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 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 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.

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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 0.82% to 0.48%.

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 US 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

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 5 GL

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Financial Conduct Authority**

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