Distribution Number 17

Legal & General US Index Trust

Annual Manager's Short Report for the year ended 5 December 2013

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 World USA Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE World 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. 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 Dec 13	5 Dec 12
R-Class	0.82%	0.82%
I-Class	0.20%	0.25%
F-Class*	0.37%	—

* F-Class units were launched on 19 December 2012.

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

Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards
1	2	3	4	5	**6**	7

- 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 is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- 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.

Trust Performance

Accounting Date	Net Asset Value Of Trust	Net Asset Value Per Unit	Number Of Units In Issue
5 Dec 11			
R-Class			
Distribution Units	£660,133,483	161.70p	408,246,230
Accumulation Units	£201,727,053	176.53p	114,271,142
I-Class			
Distribution Units	£156,648,912	161.72p	96,865,831
Accumulation Units	£458,658,034	181.14p	253,201,937
5 Dec 12			
R-Class			
Distribution Units	£754,608,093	175.96p	428,861,094
Accumulation Units	£217,005,796	194.28p	111,696,429
I-Class			
Distribution Units	£114,840,434	175.97p	65,261,709
Accumulation Units	£291,661,237	200.45p	145,502,015
5 Dec 13			
R-Class			
Distribution Units	£1,033,226,103	220.91p	467,719,084
Accumulation Units	£255,467,719	246.32p	103,711,883
I-Class			
Distribution Units	£616,551,249	220.96p	279,032,166
Accumulation Units	£444,958,323	255.73p	173,997,523
F-Class*			
Distribution Units	£546,893	221.16p	247,289
Accumulation Units	£306,516	247.56p	123,813

* F-Class units were launched on 19 December 2012.

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.

Distribution Information

R-Class

The distribution payable on 5 February 2014 is 1.0249p net per unit for distribution units and 1.1382p net per unit for accumulation units.

I-Class

The distribution payable on 5 February 2014 is 1.7279p net per unit for distribution units and 1.9844p net per unit for accumulation units.

F-Class

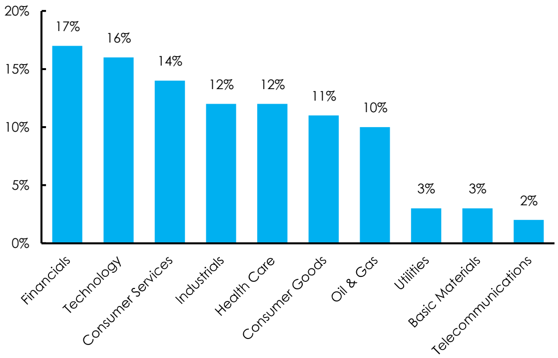
The distribution payable on 5 February 2014 is 1.4991p net per unit for distribution units and 1.6671p net per unit for accumulation units.

Portfolio Information

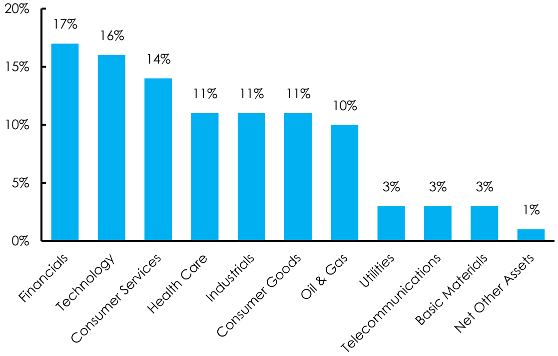
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 5 December 2013		Top 10 Holdings at 5 December 2012	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Apple	3.07%	Apple	3.82%
Exxon Mobil	2.47%	Exxon Mobil	2.94%
Google 'A'	1.73%	General Electric	1.63%
Microsoft	1.72%	Microsoft	1.63%
General Electric	1.60%	IBM	1.56%
Johnson & Johnson	1.52%	Chevron	1.52%
Chevron	1.40%	AT&T	1.42%
Wells Fargo & Co	1.38%	Johnson & Johnson	1.41%
Procter & Gamble	1.34%	Procter & Gamble	1.40%
JPMorgan Chase & Co	1.27%	Pfizer	1.40%

Trust Holdings as at 5 December 2013



Trust Holdings as at 5 December 2012



Unit Price Range and Net Revenue

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	147.20p	102.40p	1.2922p
2009	142.60p	98.10p	1.8156p
2010	165.00p	135.80p	1.1877p
2011	170.70p	137.90p	1.2769p
2012	183.30p	164.00p	1.6891p
2013[1]	226.50p	180.30p	2.1832p
2014[2]	—	—	1.0249p
Accumulation Units			
2008	154.10p	107.70p	1.3514p
2009	153.00p	103.90p	1.9449p
2010	178.50p	145.70p	1.2725p
2011	185.50p	149.90p	1.3785p
2012	201.10p	179.00p	1.8389p
2013[1]	251.40p	199.10p	2.4030p
2014[2]	—	—	1.1382p

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	147.20p	102.50p	1.8700p
2009	142.20p	97.63p	2.2014p
2010	164.80p	135.90p	1.8969p
2011	170.10p	138.10p	1.9987p
2012	183.90p	163.80p	2.5286p
2013[1]	226.90p	180.40p	3.3207p
2014[2]	—	—	1.7279p
Accumulation Units			
2008	155.50p	109.00p	2.0229p
2009	155.20p	104.90p	2.3516p
2010	182.10p	148.90p	2.0630p
2011	189.10p	153.60p	2.1973p
2012	207.60p	183.50p	2.8227p
2013[1]	260.60p	205.50p	3.7694p
2014[2]	—	—	1.9844p

[1] The above tables show the highest offer and lowest bid prices to 5 December 2013.

[2] The above tables show the net revenue per unit to 5 February 2014.

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.

Unit Price Range and Net Revenue continued

F-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012(1)	178.70p	175.30p	—
2013(2)	226.90p	180.50p	1.5336p
2014(3)	—	—	1.4991p
Accumulation Units			
2012(1)	197.30p	193.50p	—
2013(2)	252.40p	199.30p	1.6933p
2014(3)	—	—	1.6671p

* There are no prior year comparatives for the F-Class which launched on 19 December 2012.

(1) From 19 December 2012.

(2) The above table shows the highest offer and lowest bid prices to 5 December 2013.

(3) The above table shows the net revenue per unit to 5 February 2014.

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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 25.37%. 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 from the close of business on 5 December 2012 to the close of business on 5 December 2013, the Trust rose by 25.04% on a capital only basis compared with the FTSE World USA Index (Sterling adjusted) increase of 25.19% (Source: Bloomberg), producing a tracking difference of -0.15%.

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Market/Economic Review

During the first six months of the year, the market posted positive returns, as initial fears of the negative growth impact from fiscal sequestration were allayed by continued assurances from the Federal Reserve that monetary policy would remain accommodative to ensure the continuation of economic growth.

The rally continued into the second half, with investors encouraged by strong employment gains, good corporate profits releases and a sustained belief that interest rates would remain low for a considerable period. Despite a deflationary impact on overall activity from government spending cuts, private sector demand has been more robust as the consumer in particular has sustained good spending levels.

Two broad characteristics of the market this year have been the strong move in smaller capitalisation issues, and the unwind of "bond proxies" within the equity market, as 10-year government yields rose sharply. Greater confidence in economic growth and a very accommodative monetary policy has benefited risk assets in general, and more specifically, smaller capitalisation issues.

As a reflection of continued subdued capital spending, corporate free cash flows remained at healthy levels. This resulted in substantial dividend increases across the market and significant buy back announcements from several major companies, including Microsoft, Deere & Co, Union Pacific and Dollar Tree.

Manager's Investment Report continued

Over the year the FTSE USA Index outperformed the FTSE World Index by 7.3%. The best performing sectors over the year were Alternative Energy (+96.9%), Life Insurance (+54.9%) and Automobiles & Parts (+52.7%), whilst the worst performing sectors were Mining (-31.2%), Real Estate Investment Trusts (-3.6%) and Tobacco (+2.1%).

Trust Review

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.

In December 2012, FTSE conducted its annual North America Index review. This was reduced in scope with the majority of changes being held back until March 2013, when the FTSE free float methodology was to be changed from banded to actual. Subsequently, there were no additions or deletions.

In the March 2013 Index rebalance, there were 25 additions and 17 deletions. The largest of the additions were LinkedIn and Ensco, while the largest deletions were Kinder Morgan Management and Linn Energy, following the adjustment of FTSE rules to exclude limited partnerships. There were a further 249 changes to the free share capital of constituents. The most significant weight changes were decreases in Wal-Mart Stores (-0.39%) and Oracle (-0.27%).

The June and September 2013 reviews each included one addition (Realty Income and ING US respectively), while there were two deletions in September (Mallinckrodt and CST Brands). At each of the Index review effective dates, the holdings within the portfolio were rebalanced accordingly.

Outside the reviews there were five deletions following acquisitions: Cooper Industries, acquired by Eaton; Sunoco, acquired by Energy Transfer Partners Ltd; Virgin Media, acquired by Liberty Global; Plains Exploration, acquired by Freeport-McMoran; and Coventry Healthcare by Aetna.

ADT Corporation, SAIC and Murphy USA were all added to the Index following demergers and there were weight increases for American International Group, following the sale of common stock by the US Treasury, as well as for Google and Facebook, following the conversion of shares. Following share buybacks, weight decreases were applied to, amongst others: Apple, Exxon Mobil, General Electric, Pfizer, Coca-Cola, AT&T and Chevron.

The three largest Index constituents at the end of the review year were Apple (3.1%), Exxon Mobil (2.5%) and Google (1.7%).

Outlook

After a very strong year in the equity market, a period of consolidation should be expected at some stage, however the underlying fundamentals remain very supportive of equities. Whilst federal reserve bond purchases may finally slow, and this in itself may result in an increase in short term market volatility, interest rates are likely to remain at current low levels for some time to come, as has been made very clear by the federal reserve. Economic growth in 2014 should improve as some of the deflationary effect of the fiscal discipline enacted unwinds. The drivers of economic growth remain intact, and this supports belief in the profits cycle. Whilst profit margins are high, there is no evidence of them subsiding from this level. High cash balances in corporate America and below trend dividend payout ratios suggest good support to the equity market from growing dividends.

Legal & General Investment Management Limited
(Investment Adviser)
31 December 2013

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 0.06%, whilst over the last three years to the end of December 2013, the annualised Tracking Error is 0.09%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of 0.5% per annum.

Significant Changes

New Unit Class: F-Class

With effect from 19 December 2012, the Trust launched a new F-Class, with distribution and accumulation units available.

F-Class units are only available for investment through a financial adviser.

Change to Annual Management Charges

With effect from 1 April 2013, the annual management charge for the I-Class units has been reduced from 0.20% to 0.15%.

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£500
I-Class	£1,000,000
F-Class	£500

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

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.

Manager

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Independent Auditors

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