

Legal & General
Global Technology Index Trust
**Annual Manager's
Short Report
for the year ended
10 August 2013**



Investment Objective and Policy

The investment objective of this Trust is to secure capital growth from a portfolio of securities of companies engaged in Information Technology.

Securities representing all such companies in the FTSE World Index will normally be held with weightings generally proportionate to their 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

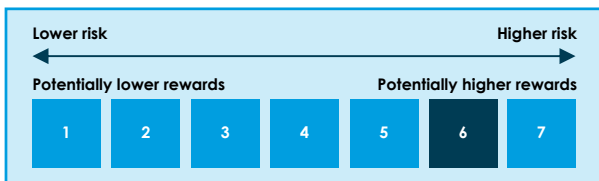
| | | |
|-----------------------------------|-----------|-----------|
| Period End Date for Distribution: | 10 Aug | |
| Distribution Date: | 10 Oct | |
| Ongoing Charges Figures: | 10 Aug 13 | 10 Aug 12 |
| R-Class | 1.16% | 1.16% |
| I-Class | 0.32% | 0.33% |
| F-Class* | 0.46% | — |

* 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 year'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 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 |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| 10 Aug 11 | | | |
| R-Class Accumulation Units | £17,946,271 | 12.33p | 145,585,654 |
| I-Class Accumulation Units | £1,259,931 | 12.79p | 9,847,222 |
| 10 Aug 12 | | | |
| R-Class Accumulation Units | £24,476,316 | 15.58p | 157,141,113 |
| I-Class Accumulation Units | £1,714,710 | 16.29p | 10,524,869 |
| 10 Aug 13 | | | |
| R-Class Accumulation Units | £27,341,423 | 17.12p | 159,742,126 |
| I-Class Accumulation Units | £2,926,584 | 18.05p | 16,210,352 |
| F-Class* Accumulation Units | £1,138 | 17.22p | 6,609 |

* The F-Class units 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 10 October 2013 is 0.0743p net per unit for accumulation units.

I-Class

The distribution payable on 10 October 2013 is 0.2173p net per unit for accumulation units.

F-Class

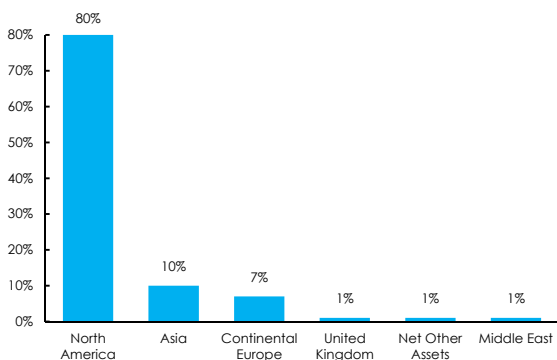
The distribution payable on 10 October 2013 is 0.1594p net per unit for accumulation units.

Portfolio Information

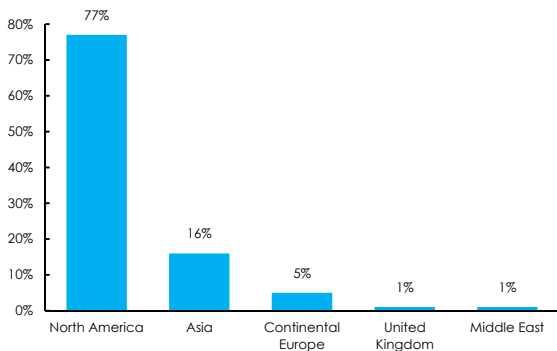
The top 10 holdings and their associated weighting for the current and preceding year are:

| Top 10 Holdings at 10 August 2013 | | Top 10 Holdings at 10 August 2012 | |
|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Holding | Percentage of Net Asset Value | Holding | Percentage of Net Asset Value |
| Apple | 13.73% | Apple | 18.62% |
| Microsoft | 8.07% | Microsoft | 8.24% |
| Google | 7.95% | IBM | 7.41% |
| IBM | 6.87% | Samsung Electronics | 5.02% |
| Cisco Systems | 4.54% | Oracle | 4.62% |
| Oracle | 3.92% | Google | 4.53% |
| Qualcomm | 3.76% | Intel | 4.31% |
| Intel | 3.68% | Qualcomm | 3.22% |
| Taiwan Semiconductor Manufacturing | 2.53% | Cisco Systems | 3.03% |
| Facebook | 2.28% | Taiwan Semiconductor Manufacturing | 1.94% |

Trust Holdings as at 10 August 2013



Trust Holdings as at 10 August 2012



Unit Price Range and Net Revenue

R-Class Units

| Year | Highest Offer | Lowest Bid | Net Revenue |
|---------------------------|---------------|------------|-------------|
| Accumulation Units | | | |
| 2008 | 11.82p | 7.55p | 0.0033p |
| 2009 | 12.98p | 8.07p | 0.0353p |
| 2010 | 14.62p | 11.70p | 0.0019p |
| 2011 | 14.98p | 11.71p | 0.0089p |
| 2012 | 16.45p | 13.89p | 0.0262p |
| 2013 ⁽¹⁾ | 17.53p | 15.19p | 0.0743p |

I-Class Units

| Year | Highest Offer | Lowest Bid | Net Revenue |
|---------------------------|---------------|------------|-------------|
| Accumulation Units | | | |
| 2008 | 11.97p | 7.67p | 0.0767p |
| 2009 | 13.29p | 8.21p | 0.0981p |
| 2010 | 15.09p | 12.05p | 0.1038p |
| 2011 | 15.49p | 12.16p | 0.1260p |
| 2012 | 17.15p | 14.45p | 0.1419p |
| 2013 ⁽¹⁾ | 18.45p | 15.95p | 0.2173p |

F-Class Units*

| Year | Highest Offer | Lowest Bid | Net Revenue |
|---------------------------|---------------|------------|-------------|
| Accumulation Units | | | |
| 2012 ⁽²⁾ | 15.13p | 14.73p | — |
| 2013 ⁽¹⁾ | 17.60p | 15.22p | 0.1594p |

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

⁽¹⁾ The above tables show the highest offer and lowest bid prices to 10 August 2013 and the net revenue per unit to 10 October 2013.

⁽²⁾ The above table shows the highest offer and lowest bid prices from 19 December 2012 to 31 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.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units increased by 9.89%.

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, and adjusted for the effects of Trust charges and taxation. On this basis, over the review year from the close of business on 10 August 2012 to the close of business on 9 August 2013 (the last working day of the accounting period), the Trust rose by 8.93% on a capital only basis, compared with the FTSE World Technology Index rise of 8.98% on a capital only basis (Sterling adjusted), producing a tracking difference of -0.05% (Source: FTSE International).

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Market/Economic Review

The returns from the technology sector lagged those to be found elsewhere in the market quite significantly over the period. This reflects a combination of factors, most notably the continued preference of companies to hoard cash as opposed to a commitment to raise capital spending. This resulted in disappointing results from several large capitalisation companies, including Oracle and Microsoft. In addition, both companies were affected by the emerging theme of 'cloud computing' (a computing concept which gives the ability to run a program on many connected computers at the same time), which represents a challenge to their business models. While Salesforce.com continues to have an industry lead with its 'cloud based' software as a service offering, the shares languished over the year, reflecting an already elevated valuation.

The lacklustre PC environment continued, as a deflationary force came across the IT industry affecting Microsoft, Dell, Hewlett-Packard and Intel, amongst others. Whilst the migration to tablets benefited Apple, a loss of revenue momentum from its iPhone division resulted in a major sell off in its shares.

Manager's Investment Report continued

On the positive side, Micron Technology rose sharply. Its acquisition of Elpida represents a transformational event for the company, increasing its mobile exposure to 25% of revenues. In addition, this deal has given investors confidence that the Dynamic Random-Access Memory (DRAM) industry will now price more rationally.

While Yahoo! continues to lag Google in the world of search engines, the new CEO has made capital return a major focus, and the shares rose sharply. In the networking arena, Cisco Systems, Juniper Networks and Ciena all performed well, as network providers raised their spending plans.

The Initial Public Offering (IPO) of Facebook caused investors to question the sustainability of Google's success, but reported revenues remained strong for the company.

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 constituents of the benchmark Index, or as a result of a corporate action.

At the end of the review year, there were 98 companies in the FTSE World Index classified as Technology Hardware & Equipment, and a further 61 companies classified as Software & Computer Services. These sectors accounted for approximately 55% and 45% of the Trust's benchmark Index respectively, by market value. In aggregate, they represented 9.4% of the market capitalisation of the FTSE World Index.

The 10 largest constituents, the largest quoted technology companies in the world, were Apple, Microsoft, Google, IBM, Cisco Systems, Oracle, Qualcomm, Intel, Taiwan Semiconductor Manufacturing and Facebook. Of these companies, which together account for approximately 57% of the value of the Index, only Taiwan Semiconductor Manufacturing (Taiwan) is based outside the US.

At the end of the review year, the three largest countries by market value in the Index were US (78.22%), Taiwan (4.74%) and Japan (4.05%).

During the year under review there were four Index reviews carried out by FTSE. The September 2012 quarterly Index review resulted in no additions and no deletions. There were 40 changes to the free share capital of constituents, with the largest increases being Qualcomm and Facebook (both US), and the largest decreases being Motorola Solutions (US) and ASML Holding (Netherlands).

The Index review in December 2012 saw one Korean company, Samsung Electronics, deleted from the Index as it was reclassified from 'Semiconductor' to 'Personal and Household Goods'. There were 31 changes to the free share capital of constituents, with the

Manager's Investment Report continued

largest increases being Apple and Google (both US), and the largest decreases being Oracle and Cisco Systems (both US).

In the March 2013 review there were 11 additions and eight deletions from the Index. The largest deletion (1.1% of the Index) was Tencent Holdings that was reclassified from Hong Kong to China by FTSE. There were 94 changes to the free share capital of constituents, with the largest increases being Salesforce.com and Red Hat (both US), and the largest decreases being Oracle and Microsoft (both US).

The June 2013 Index review was quiet, with no additions or deletions. There were 39 changes to the free share capital of constituents, with the largest increases being Facebook and Qualcomm (both US), and the largest decreases being Western Digital and Seagate Technology (both US).

Outlook

The technology arena is in the midst of an unprecedented period of change. The adoption of mobile computing and the demand for consumer products from emerging economies will substantially increase the need for bandwidth, storage, and content. The business model of Apple may be at an inflection point, as lower margins are required to compete in new markets. More companies are now moving to a subscription-based model from a licence model to attract new business. Adobe Systems' success at this has encouraged Microsoft to follow suit. Perhaps the biggest uncertainty of all is the migration of enterprise spending to the 'cloud'. This remains a challenge for all the major incumbent IT providers. Microsoft, IBM and Oracle are all developing and demonstrating some success in this area.

Notwithstanding the uncertainty surrounding the IT landscape, a stable feature is the productivity enhancing nature of the product, and the often fast pay back period from IT spend. Large capitalisation technology companies now offer very high free cash flow yields, and rising shareholder activism is likely to result in a substantial return of capital to shareholders.

Corporate investment in IT has been below trend in recent years, and a normalisation of this rate should help ensure a better outlook for investing in the sector. The Trust is well positioned to capture the technology sector global performance.

Legal & General Investment Management Limited
(Investment Adviser)
4 September 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 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 year, the annualised Tracking Error of the Fund is 0.23%, whilst over the last three years to the end of August 2013, the annualised Tracking Error is 0.19%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of 0.75% per annum.

Significant Changes

New Unit Classes: F-Class

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

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

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 units, 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

Legal & General (Unit Trust Managers) Limited

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