

L&G (N) Tracker Trust

**Annual Manager's
Short Report
for the year ended
30 September 2013**



Investment Objective and Policy

L&G (N) Tracker Trust aims to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share 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 holds investments 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:		31 Mar, 30 Sep
Distribution Dates:		31 May, 30 Nov
Ongoing Charges Figures	30 Sep 13	30 Sep 12
A-Class Units	1.15%	1.15%
CTF-Class Units	1.50%	1.50%
I-Class Units*	0.20%	—
F-Class Units**	0.35%	—

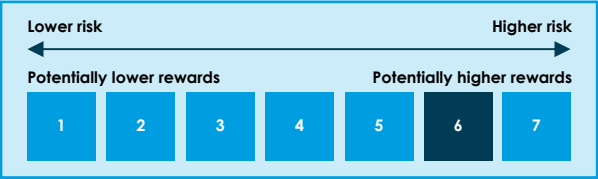
* There are no prior year comparatives for the I-Class which launched on 31 October 2012.

** There are no prior year comparatives for the F-Class which 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



- 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
30 Sep 11			
A-Class			
Accumulation Units	£733,653,096	118.92p	616,945,777
CTF-Class			
Accumulation Units	£184,872,308	115.50p	160,056,907
30 Sep 12			
A-Class			
Accumulation Units	£833,547,328	138.82p	600,439,096
CTF-Class			
Accumulation Units	£240,517,870	134.38p	178,985,830
30 Sep 13			
A-Class			
Accumulation Units	£933,412,421	162.15p	575,645,798
CTF-Class			
Accumulation Units	£305,499,252	156.41p	195,313,950
I-Class*			
Distribution Units	£1,122	158.25p	709
Accumulation Units	£15,777,020	163.95p	9,622,835
F-Class**			
Accumulation Units	£1,130	163.29p	692

* There are no prior year comparatives for the I-Class which launched on 31 October 2012.

** There are no prior year comparatives for the F-Class which 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

A-Class Units

The distribution payable on 30 November 2013 is 2.2736p net per unit for accumulation units.

CTF-Class Units

The distribution payable on 30 November 2013 is 1.9229p net per unit for accumulation units.

I-Class Units

The distribution payable on 30 November 2013 is 3.0070p net per unit for distribution units and 3.0939p net per unit for accumulation units.

F-Class Units

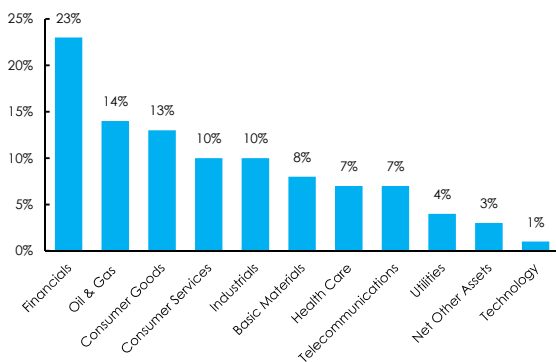
The distribution payable on 30 November 2013 is 2.9552p net per unit for accumulation units.

Portfolio Information

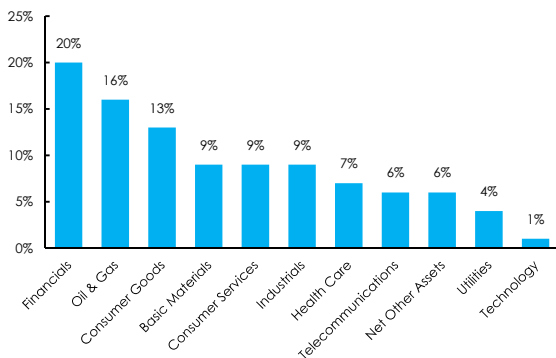
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 30 September 2013		Top 10 Holdings at 30 September 2012	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC Holdings	6.01%	HSBC Holdings	5.65%
Vodafone Group	5.12%	Vodafone Group	4.75%
BP	3.99%	BP	4.55%
Royal Dutch Shell 'A'	3.77%	Royal Dutch Shell 'A'	4.35%
GlaxoSmithKline	3.74%	GlaxoSmithKline	3.92%
British American Tobacco	3.04%	British American Tobacco	3.41%
Royal Dutch Shell 'B'	2.59%	Royal Dutch Shell 'B'	3.16%
Diageo	2.40%	Diageo	2.37%
AstraZeneca	1.95%	BG Group	2.30%
BG Group	1.95%	BHP Billiton	2.19%

Trust Holdings as at 30 September 2013



Trust Holdings as at 30 September 2012



Unit Price Range and Net Revenue

A-Class

Year	Highest Price	Lowest Price	Net Revenue
Accumulation Units			
2008	134.10p	78.30p	3.4700p
2009	119.80p	74.46p	3.0132p
2010	136.70p	109.60p	2.4828p
2011	140.80p	114.90p	2.8376p
2012	144.80p	125.50p	3.4969p
2013 ⁽¹⁾	167.50p	146.10p	3.8721p

CTF-Class

Year	Highest Price	Lowest Price	Net Revenue
Accumulation Units			
2008	132.30p	76.96p	2.8119p
2009	117.10p	73.04p	2.5019p
2010	133.10p	106.90p	2.0045p
2011	136.90p	111.60p	2.3091p
2012	140.00p	121.60p	2.9415p
2013 ⁽¹⁾	161.80p	141.30p	3.2225p

⁽¹⁾ The above tables show the highest and lowest prices to 30 September 2013 and the net revenue per unit to 30 November 2013.

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

I-Class*

Year	Highest Price	Lowest Price	Net Revenue
Distribution Units			
2012 ⁽¹⁾	145.00p	136.90p	—
2013 ⁽³⁾	166.20p	146.40p	5.1522p
Accumulation Units			
2012 ⁽¹⁾	145.10p	136.90p	—
2013 ⁽³⁾	169.00p	146.40p	5.2880p

F-Class**

Year	Highest Price	Lowest Price	Net Revenue
Accumulation Units			
2012 ⁽²⁾	144.90p	143.50p	—
2013 ⁽³⁾	168.30p	146.30p	4.9465p

* I-Class units launched on 31 October 2012.

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

⁽¹⁾ The above table shows the highest and lowest prices from 31 October 2012 to 31 December 2012.

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

⁽³⁾ The above tables show the highest and lowest prices to 30 September 2013 and the net revenue per unit to 30 November 2013.

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 A-Class accumulation units rose by 16.76%. 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 year from the close of business on 28 September 2012 (the last working day of the prior accounting year) to the close of business on 30 September 2013, the Trust returned 14.96% on a capital only basis compared with the FTSE All-Share Index return of 14.84% on a capital only basis, producing a tracking difference of +0.12% (Source: Bloomberg).

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.

The FTSE All-Share Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

All copyright in the Index values and constituent list belongs to FTSE. Legal & General has obtained full license from FTSE to use such copyright in the creation of this product.

"FTSE™", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under licence. "All-Share®" is a trade mark of FTSE.

Market/Economic Review

The FTSE All-Share Index comprises the FTSE SmallCap Index (+30.8%), the best performing element of the FTSE All-Share Index over the review year, the FTSE 250 Index (+27.1%) and the FTSE 100 Index (+12.5%) (Source: Bloomberg).

Over the review year, major sectors such as Leisure Goods (+125.0%), Forestry & Paper (+65.6%) and Personal Goods (+62.2%) showed the largest positive returns; the most underperforming sectors were Industrial Metals & Mining (-46.9%), Mining (-8.7%) and Oil Equipment, Services & Distribution (-5.3%).

The global economy has faced some significant headwinds during the review year. The European sovereign (government) debt crisis held centre stage as policymakers struggled to address concerns that several heavily indebted countries would be forced to leave the Euro. The emerging economies were initially the driving force of global growth but this effect faded due to a significant slowdown in China where the authorities are attempting to rebalance the economy away from export-led towards domestic-led growth.

Governments in the G7 countries implemented austerity programmes to varying degrees while simultaneously leaving interest rates at historically low levels. In the US, UK and Japan this was accompanied by further asset purchases and quantitative easing (QE) aimed at reviving growth. Although the US economy is growing steadily, the major concerns are the impact of the

Manager's Investment Report continued

slowdown in the major emerging economies, particularly China, and the impact of prolonged austerity programmes in the eurozone.

Although equity markets have been volatile during the year under review, the majority of major markets recorded impressive gains as various central bank policy initiatives fostered optimism amongst investors that the global economic growth would recover, albeit modestly. In the UK, the more domestically focused mid-cap stocks and smaller companies have outperformed the blue chip FTSE 100 companies, which are heavily weighted towards Mining stocks that have struggled on weaker commodity prices.

Trust Review

Companies held within the Trust are held with weightings generally proportionate to 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.

At the quarterly Index review in December 2012, four companies were added to the Index: Direct Line Insurance Group, United Drug, alternative investment company BACIT and newspaper publisher Johnston Press. No companies were deleted from the Index.

At the quarterly Index review in March 2013, three companies were added to the Index: investment company Starwood European Real Estate Finance, Aberdeen New Thai Investment Trust and ICG-Longbow Senior Secured UK Property Debt Investments. Invista European Real Estate Trust was deleted from the Index.

At the annual Index review in June 2013, 19 companies were added, including DCC, esure Group, Countrywide and Crest Nicholson Holdings. Camelia, RM, Torotrak and Mecom Group were among the 11 companies deleted. Following the Government's reduction in holding from 38.7% to 32.7% with a £3.2 billion sale, the free float weighting for Lloyds Banking Group increased.

At the quarterly Index review in September 2013, 11 companies were added: Coca-Cola HBC, Partnership Assurance, Caracal Energy, Entertainment One, Tyman, Al Noor Hospitals and five Investment Trusts. No companies were deleted.

At each of the Index review effective dates, the Trust's holdings were rebalanced accordingly.

Outside the reviews, mining and metals group Glencore completed its long awaited merger with Xstrata, resulting in a name change to Glencore Xstrata and a small increase in weighting for the new entity. Other acquisitions included Lonrho, the support servicing company, by FS Africa Limited; the advertising services company Aegis Group by Dentsu (Japan); Sportingbet by consortium GVC Holdings (Luxembourg) and William Hill (UK); Metric Property Investments by London & Stamford Property; the computer hardware company Psion by Motorola Solutions (USA);

Manager's Investment Report continued

ISIS Property Trust by IRP Property Investments Limited, subsequently renamed F&C UK Real Estate Investments Limited; and oil and gas exploration and production company Melrose Resources by Petroceltic International (Ireland).

Other corporate actions included investment companies Dexion Equity Alternative, Impax Asian Environmental Markets and Goldman Sachs Dynamic Opportunities being wound up. Fortune Oil changed its listing from 'premium' to 'standard' and was subsequently removed from the Index. Alent, the speciality chemicals unit demerged from the diversified industrial company Vesuvius (formerly known as Cookson).

Capital raisings in the form of rights issues included Barclays and G4S to refinance their balance sheets; Ophir Energy to fund drilling, and William Hill to acquire the remaining online gaming business from Playtech. Other capital raisings included British Land to fund potential M&A (mergers and acquisition) activity; Intu Properties, which recently rebranded from Capital Shopping Centres, also seeking to make acquisitions; and Thomas Cook and FirstGroup both raising cash to refinance their balance sheets. Capital repayments continued and included Wolseley, InterContinental Hotels Group, Carnival, Lancashire Holdings, Micro Focus International, SOCO International, Hargreaves Lansdown, Hikma Pharmaceuticals, esure, Beazley and Ferrexpo.

A tender offer is a process whereby a company offers to buyback a portion of its shares in issue from existing shareholders. One example of a tender offer was Henderson Asian Growth Trust to enable shareholders to realise the value of their holdings at a price close to NAV (Net Asset Value). Other tender offers that resulted in a shares in issue decrease, and hence a reduction in Index weight, included LondonMetric Property and Advance Developing Markets Fund. Secondary placings which resulted in a free float change included St James's Place Capital, Direct Line Insurance Group and Ophir Energy.

Where, as a result of a corporate action, a stock was added to or deleted from the Index, or its weighting changed, the Trust bought or sold shares to ensure weightings remain generally proportionate to the Index.

At the end of the review year the Trust had holdings in all of the 613 companies in the Index. The three largest stocks in the Trust at the end of the review year were Royal Dutch Shell (6.5%), HSBC (6.2%) and Vodafone Group (5.2%).

Outlook

The global economy remains on track for slow and steady growth this year, now with a greater contribution to growth sourced from advanced economies. In the UK, consumer spending has grown over the past year and there is potential for further improvement ahead. Survey data continued to improve of late, suggesting that

Manager's Investment Report continued

year-on-year growth in the UK could be as strong as 3.5%. The Construction & Materials sector certainly appears stronger and total employment numbers have rapidly increased to beat consensus expectations, which may lead to higher consumption levels.

However, unemployment levels are not yet low enough to trigger Bank of England governor Mark Carney's conditions for a rate rise.

There are a number of potential risks looking ahead, not least US debt negotiations, Middle East volatility and European political uncertainty, but the market does not seem particularly vulnerable unless the situation markedly deteriorates. Should the economic backdrop improve in line with consensus forecasts, there is potential for improving global growth going forward from which the globally exposed UK market can benefit greatly.

Legal & General Investment Management Limited

(Investment Adviser)

17 October 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.

Significant Changes

New Unit Classes: I-Class and F-Class

With effect from 31 October 2012, the Trust launched a new I-Class with distribution and accumulation units available.

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.

Change to Annual Management Charge

With effect from 1 July 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:

A-Class	£20
CTF-Class	£1
I-Class	£1,000,000
F-Class	£20

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. 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

Registered in England 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

National Westminster Bank Plc

Trustee and Depositary Services

135 Bishopsgate

London EC2M 3UR

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

**Authorised and regulated by the
Financial Conduct Authority**

Legal & General
(Unit Trust Managers) Limited
Registered in England No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
NTT1113

