

Legal & General European Index Trust

**Interim Manager's
Short Report
for the period ended
31 January 2014**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the European equity markets, as represented by the FTSE World Europe (excluding UK) Index, by investing in a representative sample of stocks selected from all economic sectors (including a stock or stocks reasonably expected to be shortly included in that Index).

Securities in the FTSE World Europe (excluding UK) 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

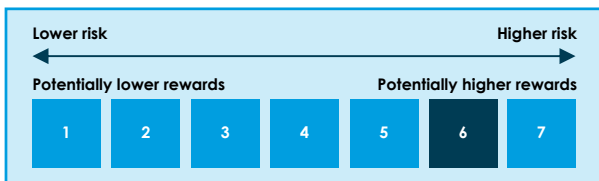
Period End Date for Distribution:	31 July	
Distribution Date:	30 September	
Ongoing Charges Figures:	31 Jan 14	31 Jul 13
R-Class	0.84%	0.84%
I-Class	0.20%	0.23%
F-Class	0.39%	0.39%
C-Class*	0.15%	—

* There are no prior period comparatives for the C-Class which launched on 9 December 2013.

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 European 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
31 Jul 11			
R-Class			
Distribution Units	£1,072,095,820	188.97p	567,339,820
Accumulation Units	£243,156,817	228.69p	106,326,900
I-Class			
Distribution Units	£94,172,469	188.97p	49,833,571
Accumulation Units	£339,588,545	233.47p	145,449,904
31 Jul 12			
R-Class			
Distribution Units	£941,239,246	159.61p	589,713,653
Accumulation Units	£200,363,032	198.40p	100,990,539
I-Class			
Distribution Units	£75,052,806	159.61p	47,021,731
Accumulation Units	£224,691,997	203.66p	110,325,640
31 Jul 13			
R-Class			
Distribution Units	£1,224,011,544	208.19p	587,924,965
Accumulation Units	£251,012,384	263.97p	95,091,585
I-Class			
Distribution Units	£85,033,550	208.35p	40,812,769
Accumulation Units	£280,579,765	272.62p	102,921,159
F-Class*			
Distribution Units	£29,810	208.56p	14,293
Accumulation Units	£123,843	265.06p	46,723
31 Jan 14			
R-Class			
Distribution Units	£1,117,863,514	210.52p	531,007,807
Accumulation Units	£212,657,977	266.87p	79,686,041
I-Class			
Distribution Units	£178,877,245	211.38p	84,623,704
Accumulation Units	£324,749,004	276.51p	117,443,597
F-Class*			
Distribution Units	£179,562	211.38p	84,947
Accumulation Units	£127,388	268.59p	47,429
C-Class**			
Distribution Units	£941	211.46p	445
Accumulation Units	£940	276.47p	340

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

** There are no prior year comparatives for the C-Class which launched on 9 December 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.

Distribution Information

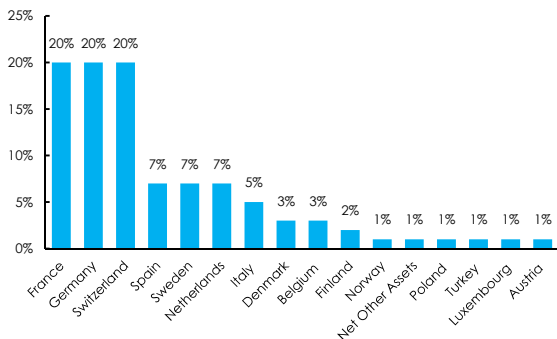
The policy is to distribute, on an annual basis, all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. This being the case, there is no interim distribution.

Portfolio Information

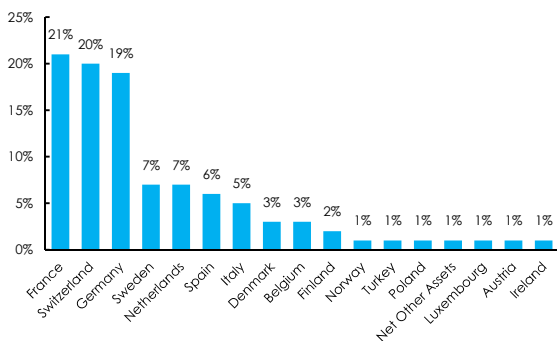
The top 10 holdings and their associated weighting for the current period and preceding year are:

Top 10 Holdings at 31 January 2014		Top 10 Holdings at 31 July 2013	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Nestlé	3.93%	Nestlé	4.07%
Roche Holding	3.24%	Roche Holding	3.23%
Novartis	3.12%	Novartis	3.10%
Total	1.94%	Sanofi	2.24%
Sanofi	1.89%	Total	2.02%
Bayer	1.82%	Bayer	1.79%
Siemens	1.67%	Siemens	1.59%
BASF	1.65%	BASF	1.53%
Banco Santander (EUR)	1.60%	Anheuser-Busch Inbev	1.44%
Daimler	1.35%	Banco Santander	1.43%

Trust Holdings as at 31 January 2014



Trust Holdings as at 31 July 2013



Unit Price Range and Net Revenue

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2009	197.10p	118.50p	4.0227p
2010	198.40p	164.00p	3.4982p
2011	213.50p	144.90p	4.5832p
2012	183.80p	150.10p	4.3362p
2013	225.10p	184.40p	4.2035p
2014 ⁽¹⁾	226.00p	212.90p	—
Accumulation Units			
2009	228.40p	133.90p	4.5446p
2010	234.30p	190.00p	4.0508p
2011	252.20p	175.40p	5.4145p
2012	228.50p	181.60p	5.2484p
2013	285.40p	229.10p	5.2242p
2014 ⁽¹⁾	286.50p	269.90p	—

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2009	197.30p	118.20p	4.5852p
2010	200.00p	164.70p	4.3641p
2011	214.20p	144.80p	5.5179p
2012	184.50p	150.90p	5.2211p
2013	225.60p	184.80p	5.3508p
2014 ⁽¹⁾	227.20p	213.80p	—
Accumulation Units			
2009	231.30p	134.80p	5.2239p
2010	239.40p	193.00p	5.1100p
2011	257.30p	179.00p	6.6216p
2012	235.40p	186.50p	6.4549p
2013	295.20p	235.80p	6.8260p
2014 ⁽¹⁾	297.20p	279.70p	—

⁽¹⁾ The above tables show the highest offer and lowest bid prices to 31 January 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⁾	184.30p	182.10p	—
2013	225.80p	184.90p	4.7823p
2014 ⁽³⁾	227.20p	213.80p	—
Accumulation Units			
2012 ⁽¹⁾	229.10p	226.30p	—
2013	286.90p	229.80p	5.9416p
2014 ⁽³⁾	288.70p	271.70p	—

C-Class Units**

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2013 ⁽²⁾	222.30p	213.10p	—
2014 ⁽³⁾	226.80p	213.80p	—
Accumulation Units			
2013 ⁽²⁾	290.70p	278.80p	—
2014 ⁽³⁾	296.70p	279.70p	—

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

** There are no prior year comparatives for the C-Class which launched on 9 December 2013.

⁽¹⁾ From 19 December 2012.

⁽²⁾ From 9 December 2013.

⁽³⁾ The above tables show the highest offer and lowest bid prices to 31 January 2014.

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Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 0.79%. 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 and foreign exchange rates. On this basis, over the review period, the Trust rose by 1.30% on a capital only basis compared with the FTSE World Europe (excluding UK) Index rise of 1.18%, on a capital only, Sterling adjusted basis, producing a tracking difference of +0.12% (Source: Bloomberg).

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Market/Economic Review

Global equities delivered strong gains during 2013, although these were limited over the second half of 2013. Better sentiment was driven by optimism that global company earnings were improving, with the performance of the US economy being particularly encouraging. Although economic data from China painted a less positive picture, confidence that the US Federal Reserve (Fed) and the European Central Bank (ECB) would continue to provide support helped global equities to make progress. Japanese equities performed strongly, cheered by Prime Minister Shinzō Abe's determination to spur the domestic economy with an aggressive stimulus package. Having overseen the doubling of the inflation target to 2.0%, the Bank of Japan paved the way towards unlimited quantitative easing (QE). These measures contributed towards the Yen slipping to its lowest level in 4½ years, boosting sentiment towards Japanese exporters. However, signs that China's economy could be cooling weighed on other Far Eastern markets during the review period.

Although the improving global economic outlook helped to underpin expectations over the earnings growth outlook for Europe-listed companies, concerns that the Eurozone's economic recovery could yet falter capped the market's gains. In contrast to the Fed's plan to begin tapering its quantitative easing programme in January, the ECB pledged to maintain support for the

Manager's Investment Report continued

Eurozone's fragile recovery, cutting interest rates to historic lows of 0.25% in early November. The persistent deflationary environment in Europe alleviated any fears over the sustainability of the supportive policy measures in place.

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. During the period under review there were two quarterly Index reviews.

At the quarterly Index review in September 2013, there was one addition, Evonik Industries (Germany), and two deletions, DE Master Blenders (Netherlands) and Groupe FNAC (France). There were also 56 changes to the free share capital of constituents, with the largest increases being Société Générale (France), Banco Bilbao Vizcaya Argentaria (Spain) and Legrand (France), and the largest decreases being Novo Nordisk B (Denmark), Danone (France) and Valeo (France), resulting in total two-way Index turnover of 1.4%.

At the Index review in December 2013, there were two deletions, Autogrill and World Duty Free (both Italian); there were no additions. There were 65 changes to the free share capital of constituents, with the largest increases being Deutsche Post (Germany), AXA (France) and Banco Santander (Spain), and the largest decreases being Ahold (Netherlands), Daimler AG (Germany) and EADS (France), resulting in total two-way Index turnover of 1.4%.

At each of the two review effective dates the holdings within the portfolio were rebalanced accordingly.

Other corporate activity included the movement of Coca-Cola HBC's primary market from Greece to the UK, leading to its removal from the Index. OCI NV was added to the Index in July 2013 after the movement of its primary listing from Egypt to Netherlands.

Further additions to the Index included Osram Licht, which was added in July following its spinoff from Siemens (Germany), and World Duty Free, following its spin off from Autogrill (Italy) in a transaction completed on 1 October although both stocks were deleted from the Index in the following quarterly review.

Elan Corporation (Ireland) was deleted from the Index following its acquisition by the US based Perrigo. Vodafone (UK) took a stake in Kabel Deutschland (Germany). As a result Kabel's free float was decreased, meaning a fall in its weight in the Index. Finally, Atlantia's (Italy) Index weight was increased following an increase in its market capitalisation, after its merger with Gemina (Italy).

Manager's Investment Report continued

The largest countries in the Index at the end of the period were France (20.0%), Germany (19.9%) and Switzerland (19.8%). The largest stocks were Nestlé (3.9%), Roche Holdings (3.2%) and Novartis (3.1%).

Outlook

Global growth appears to have settled at a reasonable pace at the start of 2014. The question is whether the world maintains this growth through the year or if the speed shifts up into boom territory as employment growth and low inflation boost real incomes. Corporate balance sheets are generally strong and economic uncertainty has faded, despite the recent wobbles in emerging markets.

Whilst our positive outlook for the US economy remains intact, the short-term prospects are less encouraging for the Eurozone. In Europe, the outlook is for sluggish growth as stubbornly high unemployment and anaemic wage growth weigh on consumer spending and a lack of credit availability impairs investment. Bank deleveraging is likely to continue in an attempt to shore up balance sheets ahead of the Comprehensive Assessment later in 2014. It remains to be seen whether investors perceive these bank tests as credible and if sufficient capital can be raised. Given the precarious fiscal position in several countries, another bout of sovereign risk remains a danger in 2014.

The Trust remains well placed to capture the performance of the Index.

Legal & General Investment Management Limited

(Investment Adviser)

27 February 2014

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's charges and taxation.

Using monthly returns, over the review period, the annualised Tracking Error of the Trust is 0.08%, whilst over the last three years to the end of January 2014, 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 0.50% per annum.

Significant Changes

New Unit Class: C-Class

With effect from 9 December 2013, the Trust launched a new C-Class with distribution and accumulation units available.

C-Class units are only available to distributors who actively market and distribute such Units (or whom the Manager believes intend to do so) and who entered into a written agreement with the Manager relating to the conditions for investment in such units.

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
C-Class	£100,000,000

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

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

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.

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

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

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Financial Conduct Authority**

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