

Legal & General Japan Index Trust

**Interim Manager's
Short Report
for the period ended
24 April 2013**



Investment Objective and Policy

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

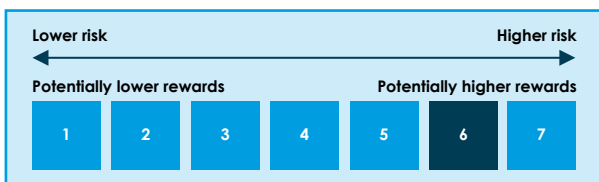
Period End Date for Distribution:	24 Oct	
Distribution Date:	24 Dec	
Ongoing Charges Figures:	24 Apr 13	24 Oct 12
R-Class	0.83%	0.83%
I-Class	0.21%	0.27%
F-Class*	0.38%	—

* 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



- 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
24 Oct 10			
R-Class			
Distribution Units	£133,203,880	30.46p	437,315,927
Accumulation Units	£52,844,616	31.89p	165,705,765
I-Class			
Distribution Units	£51,070,097	30.44p	167,786,093
Accumulation Units	£174,754,145	32.49p	537,824,444
24 Oct 11			
R-Class			
Distribution Units	£128,056,571	29.06p	440,695,857
Accumulation Units	£61,407,105	30.82p	199,252,391
I-Class			
Distribution Units	£46,181,151	29.03p	159,092,538
Accumulation Units	£157,252,273	31.55p	498,449,525
24 Oct 12			
R-Class			
Distribution Units	£123,529,508	27.08p	456,107,366
Accumulation Units	£52,907,941	29.15p	181,486,611
I-Class			
Distribution Units	£35,389,486	27.05p	130,834,725
Accumulation Units	£107,404,134	30.01p	357,905,870
24 Apr 13			
R-Class			
Distribution Units	£163,262,509	35.84p	455,591,983
Accumulation Units	£69,075,981	38.57p	179,078,492
I-Class			
Distribution Units	£51,138,982	35.90p	142,466,495
Accumulation Units	£159,906,930	39.82p	401,537,538
F-Class*			
Distribution Units	£1,265	35.98p	3,516
Accumulation Units	£2,447	38.75p	6,315

* 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

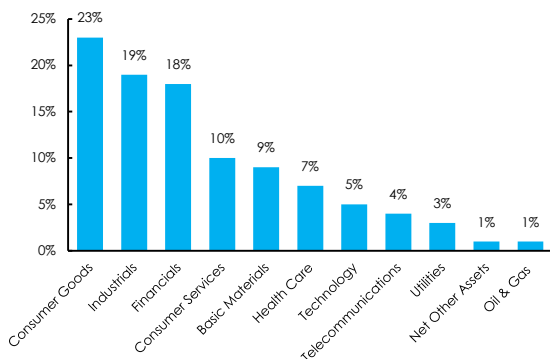
The policy is to distribute, on an annual basis, all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. This being the case, there is no interim distribution.

Portfolio Information

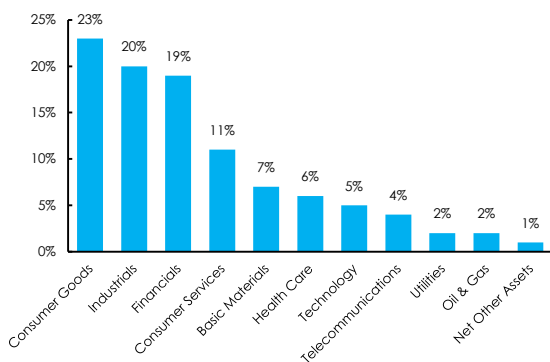
The top 10 holdings and their associated weighting for the current period and preceding year are:

Top 10 Holdings at 24 April 2013		Top 10 Holdings at 24 October 2012	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Toyota Motor	5.19%	Toyota Motor	4.44%
Mitsubishi UFJ Financial Group	3.20%	Mitsubishi UFJ Financial Group	3.14%
Honda Motor	2.47%	Honda Motor	2.11%
Sumitomo Metal Mining	2.11%	Canon	2.09%
		Sumitomo Mitsui Financial Group	2.08%
Mizuho Financial Group	1.80%	Mizuho Financial Group	1.82%
Canon	1.53%	Fanuc	1.43%
Softbank	1.50%	Japan Tobacco	1.41%
Takeda Pharmaceutical	1.47%	NTT DoCoMo	1.31%
Japan Tobacco	1.40%	Takeda Pharmaceutical	1.31%
Mitsubishi Estate	1.38%		

Trust Holdings as at 24 April 2013



Trust Holdings as at 24 October 2012



Unit Price Range and Net Revenue

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	33.64p	23.97p	0.3346p
2009	30.48p	23.83p	0.2346p
2010	33.88p	28.79p	0.3221p
2011	34.00p	27.36p	0.3779p
2012	30.97p	26.48p	0.4014p
2013 ⁽¹⁾	35.83p	28.81p	—
Accumulation Units			
2008	34.10p	24.29p	0.3400p
2009	31.32p	24.49p	0.2387p
2010	35.48p	29.83p	0.3325p
2011	35.60p	28.81p	0.4002p
2012	32.85p	28.50p	0.4218p
2013 ⁽¹⁾	38.57p	31.02p	—

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	33.69p	24.03p	0.4318p
2009	30.56p	23.85p	0.3340p
2010	33.66p	28.79p	0.4633p
2011	33.95p	27.32p	0.5254p
2012	30.88p	26.45p	0.5611p
2013 ⁽¹⁾	35.99p	28.90p	—
Accumulation Units			
2008	34.41p	24.55p	0.4415p
2009	31.75p	24.80p	0.3474p
2010	35.94p	30.27p	0.4871p
2011	36.24p	29.47p	0.5599p
2012	33.57p	29.35p	0.6104p
2013 ⁽¹⁾	39.93p	32.06p	—

⁽¹⁾ The above tables show the highest offer and lowest bid prices to 24 April 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

F-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012 ⁽¹⁾	29.06p	28.44p	—
2013 ⁽²⁾	36.08p	28.98p	—
Accumulation Units			
2012 ⁽¹⁾	31.28p	30.62p	—
2013 ⁽²⁾	38.84p	31.20p	—

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

⁽¹⁾ The above table shows the highest offer and lowest bid prices from 19 December 2012 to 31 December 2012.

⁽²⁾ The above table shows the highest offer and lowest bid prices to 24 April 2013.

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Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units rose by 30.39%.

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 from the close of business on 24 October 2012 to the close of business on 24 April 2013, the Trust rose by 32.52% on a capital only basis compared with the FTSE World Japan Index rise of 32.48% on a Sterling adjusted, capital only basis (Source: Bloomberg), producing a tracking deviation of +0.04%.

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Market/Economic Review

The global economy has faced some significant challenges during the past 12 months. 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, a potentially calamitous prospect with the risk of a collapse in economic activity. The emerging economies have been the driving force of global growth, but there has been a significant slowdown in China where the authorities have sanctioned interest rate cuts to rebalance the economy away from export-led towards domestic-led growth. Governments in the G7 countries have to varying degrees tried to reduce their budget deficits and implement austerity programmes, while simultaneously leaving interest rates at historically low levels. In the US, UK and Japan this has been accompanied by further asset purchases (quantitative easing) aimed at reviving growth. However, global economic indicators continue to depict subdued growth in many nations, although data releases from the US and China have been more encouraging of late. The major concerns are the drag imposed by Europe's recession, and the impact of recent spending cuts and tax hikes in the US.

Manager's Investment Report continued

Although equity markets have been volatile over the last 12 months, the majority of major markets recorded impressive gains as various central bank policy initiatives have fostered optimism amongst investors that the global economic growth will recover, albeit modestly. European markets rallied strongly, buoyed by optimism that the European Central Bank is at last taking decisive action to address the region's debt crisis. This has also boosted Asia Pacific equities and emerging markets in recent months, along with signs of improvement in the global economic outlook.

Japanese stocks delivered robust gains towards the end of the period under review, driven by optimism that Prime Minister Abe's plan for a more aggressive stimulus package should boost the earnings growth prospects for Japanese companies. Weak economic data releases, including reports which showed industrial output up a meagre 0.2% month-on-month in March and disappointing monthly retail sales figures, were largely ignored. Following the PM's pledge to combat deflation through measures including unlimited quantitative easing, Bank of Japan officials raised the prospect that the central bank will extend its purchases to include longer dated bonds. Pushed by the new Government, the central bank also announced the doubling of its inflation target to 2.0%, although returns for UK investors were considerably lower as the Yen weakened sharply, depreciating 18.7% over the review period.

Sector performance posted a mixed result over the review period. The best performing sectors were Financial Services (+125.1%) and Real Estate Investment & Services (+106.0%); none of the sectors were down during the review period.

Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the benchmark Index. Hence investment activity, other than to raise or invest cash, is only necessary when there are changes in the issued share capital of the constituent companies, or to the constituents of the Index.

The quarterly Index review in December 2012 resulted in no additions and no deletions. There were 16 changes to the free share capital of constituents, with the largest increases being Hitachi, Mitsubishi Motors and Olympus, and the largest decreases being Nippon Steel, JFE Holdings and NTT.

At the annual Index review in March 2013, there were 20 additions and 10 deletions. The free float methodology was enhanced from banded to actual, resulting in a free float change for 371 constituents, with the largest increases being Honda Motor, Kubota and Takeda Pharmaceutical, and the largest decreases being Canon, Sumitomo Mitsui Financial Group and NTT DoCoMo.

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

Manager's Investment Report continued

Outside the Index reviews, there were two M&A events during the fourth quarter of 2012. Hitachi Metals acquired Hitachi Tool Engineering Ltd (non-Index) in stock, and Alfresa Holdings completed a stock acquisition of Kowa Yakuhin KK (non-Index). In the first quarter of 2013, following the completion of a secondary offering for Aozora Bank, the Japanese lender increased its weight in the Index. In addition, Sony sold its entire stake in DeNA, resulting in the internet media company increasing its weight in the Index.

Outlook

For the last three years, markets have begun to wobble towards the end of April and continued on a downward trajectory in the subsequent months. As data releases have become softer in the US and China with much less potential for upside surprise, investors are beginning to worry that for the fourth consecutive year, market turmoil will re-emerge during May.

The combined efforts of Prime Minister Abe and Governor Kuroda have propelled the Nikkei to the highest levels seen since 2008, as the Yen trades near a four-year low. 'Abenomics' (the economic policies recommended by Shinzo Abe, the current Prime Minister of Japan) passed a justification test at the G20 summit, with Japan effectively given the 'all-clear' to pursue an extraordinary stimulus package, despite the devaluation of the Yen.

It is difficult to overstate the scale of the program the Bank of Japan is embarking on, and also difficult to envisage where the effects of such a large scale intervention will be seen.

The Trust remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)
17 May 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 Class: F-Class

With effect from 19 December 2012, the Fund 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 Charge

With effect from 1 April 2013, the management charge for 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.

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Manager

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Independent Auditors

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