

Legal & General Managed Monthly Income Trust

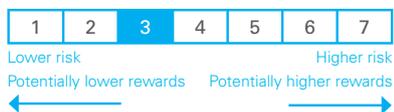


Unit Trust (UCITS compliant) I-Class GBP

FUND AIM

The objective of this fund is to provide a high income each month. The fund will invest in bonds. These bonds will have a pre-set rate of income (either set at a fixed level or varying in a pre-determined way). The bonds that the fund invests in will be at least 80% investment grade (rated as lower risk). The fund may also invest up to 20% in sub-investment grade bonds (rated as higher risk).

RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRRI) is based on the historic volatility of the fund's value and it may change in the future.

The fund is in category 3 because it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to fluctuate.

For more information, please refer to the Key Risks section on page 3.

WHO IS THIS FUND FOR?

- This fund is designed for investors looking for income or growth from an investment in bonds (a type of loan which pays interest).
- Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.
- This fund is not designed for investors who cannot afford more than a minimal loss of their investment.
- If you do not understand this document we recommend you seek additional information to help you decide if this fund is right for you.

FUND FACTS

| | | |
|-----------------------------------|-----------------------------|---|
| Fund size £420.2m | Base currency GBP | IA Sector IA £ Corporate Bond |
| Launch date 20 Oct 1997 | Domicile UK | Annualised yield 2.96% |
| | | Modified duration 8.20 years |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 0.44% |
| Price basis Dual | Bid / Offer spread 0.72% |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

PERFORMANCE (%)



| | 1 month | 6 months | 1 year | 3 years | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund | 0.39 | 0.75 | 2.27 | 12.31 | 29.23 |
| ■ IA Sector | 0.34 | 0.50 | 1.67 | 9.29 | 22.34 |
| Quartile ranking | 2 | 2 | 2 | 2 | 2 |

ANNUAL PERFORMANCE (%)

| 12 months to 31 March | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|------|-------|-------|-------|------|
| Fund | 2.27 | 10.06 | -0.22 | 12.67 | 2.13 |
| IA Sector | 1.67 | 8.78 | -1.19 | 10.51 | 1.30 |
| Quartile ranking | 2 | 2 | 2 | 2 | 3 |

Performance for the I Inc unit class in GBP, launched on 26 August 2005. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund.

Past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.

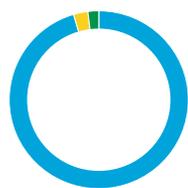
FUND SNAPSHOT

- Aims to provide a regular monthly income
- Invests in high-quality corporate bonds, with flexibility to supplement core holdings with some high yield bonds
- Actively managed, leveraging the resources of LGIM's Global Fixed Income team



PORTFOLIO BREAKDOWN

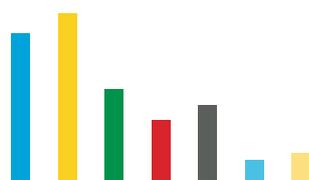
All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



CURRENCY (%)

| | |
|-------|------|
| ■ GBP | 95.4 |
| ■ EUR | 2.6 |
| ■ USD | 2.0 |

This is the currency breakdown before allowing for any hedging the fund may use. We aim to hedge the portfolio 100% back to GBP.



YEARS TO MATURITY (%)

| | |
|------------|------|
| ■ 0 to 5 | 24.9 |
| ■ 5 to 10 | 28.2 |
| ■ 10 to 15 | 15.5 |
| ■ 15 to 20 | 10.2 |
| ■ 20 to 25 | 12.8 |
| ■ 25 to 30 | 3.5 |
| ■ 30 + | 4.8 |



■ Top 10 issuers 34.4%
■ Rest of portfolio 65.7%
No. of issuers 114

TOP 10 ISSUERS (%)

| | |
|--------------------------|-----|
| United Kingdom | 8.9 |
| Lloyds Banking Group plc | 5.1 |
| Aviva plc | 3.3 |
| EDF SA | 3.1 |
| Thames Water Ltd | 2.9 |
| Hsbc Holdings plc | 2.6 |
| AT&T Inc | 2.4 |
| Orange SA | 2.3 |
| Barclays Bank plc | 2.0 |
| Wells Fargo & Company | 1.9 |

CREDIT RATING (%)

| | |
|------|------|
| AAA | 2.5 |
| AA | 12.6 |
| A | 19.9 |
| BBB | 51.5 |
| BB | 10.9 |
| NR | 1.2 |
| Cash | 1.4 |

COUNTRY (%)

| | |
|--------------------|------|
| 🇬🇧 United Kingdom | 59.0 |
| 🇺🇸 United States | 15.3 |
| 🇫🇷 France | 9.6 |
| 🇳🇱 Netherlands | 3.5 |
| 🇨🇭 Switzerland | 1.9 |
| 🇩🇪 Germany | 1.9 |
| 🇨🇾 Cayman Islands | 1.9 |
| 🇲🇽 Mexico | 1.6 |
| 🇮🇪 Channel Islands | 1.0 |
| 🌐 Other | 4.3 |

SECTOR (%)

| | |
|--------------------|------|
| Banks | 20.6 |
| Utilities | 17.5 |
| Insurance | 11.3 |
| Sovereign | 10.6 |
| Telecommunications | 8.6 |
| ABS | 7.3 |
| Real Estate | 4.3 |
| Consumer Goods | 3.6 |
| Financial Services | 3.6 |
| Other | 12.7 |

FUND MANAGER COMMENTARY

Corporate bond prices rallied during March, helped by 'safe haven' buying of underlying government bonds amid an IT-led selloff in equities and rising global trade tensions. However, sterling credit underperformed compared to gilts, with yield spreads widening across all sectors, particularly healthcare and subordinated banks. Global high yield bonds performed broadly in line with sterling investment grade debt during the month.

The Trust produced a positive return, marginally behind that of the sector. We reduced the portfolio's credit risk, partly through sales of National Grid hybrid bonds that have outperformed, also lowering exposure to Mexican energy company Pemex and financial subordinated debt from Royal London and HSBC. Among collateralised bonds, we sold down holdings in some of our least favoured housing associations, such as Notting Hill, while also taking profits in some preferred real estate names that have generated good returns, including NewRiver REIT, Digital Reality and Annington Funding.

Among new issues, we bought investment grade bonds from Southern Gas Networks, Axa and Land Securities, also participating in high yield new issues from networking products maker Belden and generic pharmaceuticals firm Teva. Elsewhere we covered our short exposure with purchases in Danish telecommunications company TDC and bought some high coupon Aviva debt following recent underperformance.

Duration ended March 0.25 years shorter than the benchmark's 8.15 years. Due to the Belden and Teva purchases, the high yield weighting rose marginally to 7%, while cash/gilt exposure rose slightly to just above 10%.



MARK BENSTEAD

Mark is a senior UK investment grade portfolio manager with responsibility for LGIM's retail funds. Mark joined LGIM in 2014 from AXA Investment Managers where he was Head of Credit, UK, and was closely involved with AXA's successful entry into buy and maintain credit. Prior to that, he was at the Royal Bank of Canada in a variety of senior capital market roles. Mark graduated from the University College of North Wales with a BA (hons) in economics in 1984 and from the University of Bradford Management Centre with an MBA in 1985. He also holds the Investment Management Certificate.

KEY RISKS

- This fund holds bonds that, rather than being traded on an exchange, are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments that are traded on an exchange and on any particular day there may not be a buyer or a seller for the bonds. In times of market uncertainty or if an exceptional amount of withdrawals are requested it may become less easy for your fund to sell investments and the Manager may defer withdrawals, or suspend dealing. The Manager can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depository.
- The fund invests directly or indirectly in bonds which are issued by companies or governments. If these companies or governments experience financial difficulty, they may be unable to pay back some or all of the interest, original investment or other payments that they owe. If this happens, the value of your fund may fall.
- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- Investment returns on bonds are sensitive to trends in interest rate movements. Their values are likely to fall when interest rates rise. Such falls may be more pronounced in a low interest rate environment. Bonds with a short time to go before their maturity date will fall by less than bonds with a longer time to their maturity date.

For more information, please refer to the key investor information document on our website [↗](#)

LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

| Type | Ex-div date | Pay date | Pence per unit |
|---------|-------------|-----------|----------------|
| Interim | 23 Jan 18 | 21 Feb 18 | 0.18p |
| Interim | 23 Nov 17 | 21 Dec 17 | 0.18p |
| Interim | 23 Oct 17 | 21 Nov 17 | 0.18p |
| Interim | 25 Sep 17 | 21 Oct 17 | 0.19p |



SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £983.3 billion (as at 31 December 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

DEALING INFORMATION

| | |
|---------------------|-----------------------|
| Valuation frequency | Daily, 12pm (UK time) |
| Dealing frequency | Daily |
| Settlement period | T+4 |

CODES

| | | |
|------------------|-------|--------------|
| ISIN | I Acc | GB00B0CNHQ18 |
| | I Inc | GB00B0CNHP01 |
| SEDOL | I Acc | B0CNHQ1 |
| | I Inc | B0CNHP0 |
| Bloomberg | I Acc | LGMMIIA |
| | I Inc | BARHIIN |

TO FIND OUT MORE

 Visit www.legalandgeneral.com

 Call **0370 050 0955**

 Email investments@landg.com

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

Important information

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