

Legal & General
Managed Monthly Income Trust

**Annual Manager's
Short Report
for the year ended
22 February 2019**



Investment Objective and Policy

The objective of the Trust is to provide a high income from a managed portfolio that includes fixed interest securities and Government and other public securities. Investments may be made in stocks traded on overseas markets.

The Trust may hold derivatives for the purpose of Efficient Portfolio Management.

Risk Profile

Credit Risk

This Trust is invested in financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed by monitoring the financial stability of investments and companies, via credit ratings.

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of market movements. 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.

Interest Rate Risk

This Trust is invested in interest bearing securities. The performance of the Trust may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.

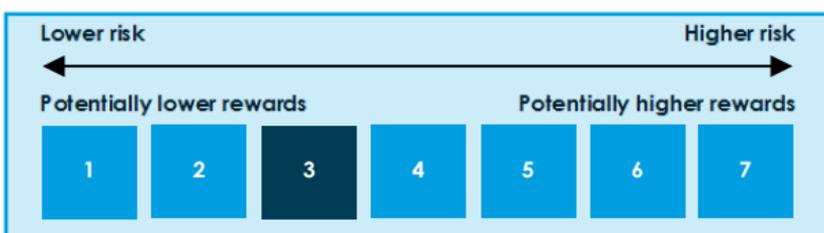
Trust Facts

Period End Dates for Distributions:	22 of each month, 22 Feb (Final)	
Distribution Dates:	21 of each month, 21 Mar (Final)	
Ongoing Charges Figures:	22 Feb 19	22 Feb 18
R-Class	1.18%	1.18%
F-Class	0.68%	0.68%
I-Class	0.44%	0.44%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable 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 fund and is calculated based on the last period's figures.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category three 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 go up and down. Bonds that are closer to their maturity date tend to be more stable in value. Bonds are generally considered to be higher risk investments than cash, but lower risk than company shares.
- Even a trust in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 21 March 2019 is 0.1555p per unit for distribution units and 0.2902p per unit for accumulation units.

F-Class

The distribution payable on 21 March 2019 is 0.1858p per unit for distribution units and 0.3565p per unit for accumulation units.

I-Class

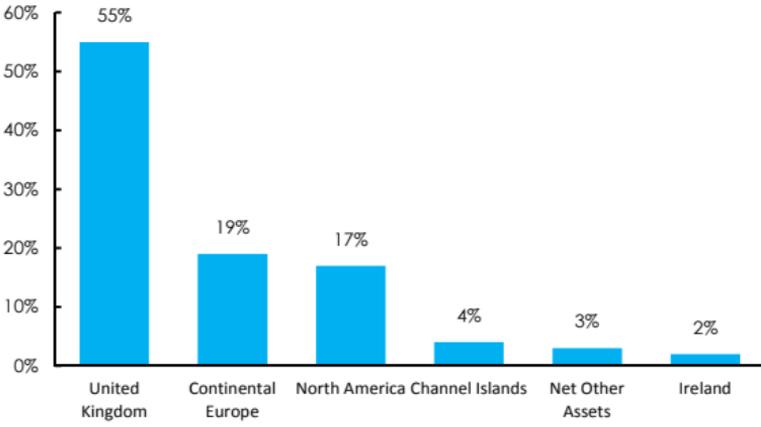
The distribution payable on 21 March 2019 is 0.1974p per unit for distribution units and 0.3966p per unit for accumulation units.

Portfolio Information

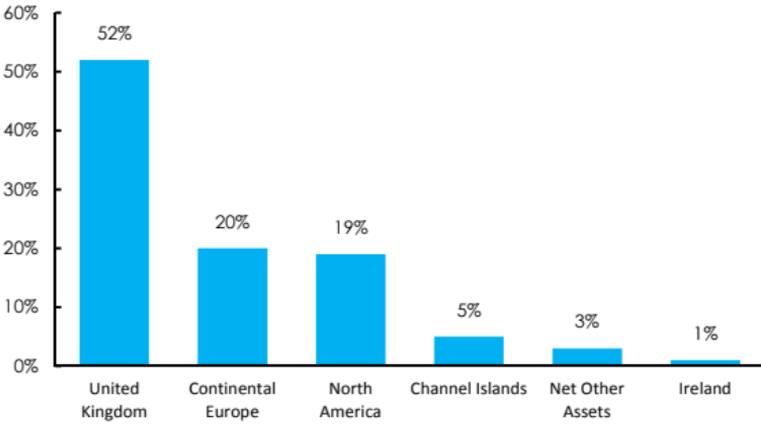
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 22 February 2019		Top 10 Holdings at 22 February 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Electricite de France 5.5% 17/10/2041	2.58%	Electricite de France 5.5% 17/10/2041	1.85%
United Kingdom Gilt 4.25% 07/06/2032	2.08%	United Kingdom Gilt 2.25% 07/09/2023	1.57%
Tesco Property Finance 1 7.623% 13/07/2039	1.67%	Prudential 11.375% 29/05/2039	1.55%
Prudential 11.375% 29/05/2039	1.46%	Tesco Property Finance 1 7.623% 13/07/2039	1.52%
Credit Agricole 8.125% Open Maturity	1.27%	HSBC Bank 5.844% Open Maturity	1.35%
Brit Insurance 6.625% 09/12/2030	1.26%	Centrica 4% 16/10/2023	1.30%
Lloyds Bank 7.625% 22/04/2025	1.19%	E.ON International Finance 5.875% 30/10/2037	1.21%
Connect Plus M25 Issuer 2.607% 31/03/2039	1.15%	Orange 5.875% Open Maturity	1.21%
HSBC Bank 5.844% Open Maturity	1.12%	Brit Insurance 6.625% 09/12/2030	1.20%
GlaxoSmithKline Capital 5.25% 19/12/2033	1.08%	Credit Agricole 8.125% Open Maturity	1.14%

Trust Holdings as at 22 February 2019



Trust Holdings as at 22 February 2018



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	64.78	64.71	59.57
Return before operating charges*	1.94	2.51	7.80
Operating charges (calculated on average price)	(0.76)	(0.78)	(0.75)
Return after operating charges*	1.18	1.73	7.05
Distributions on income units [^]	(1.49)	(1.66)	(1.91)
Closing net asset value per unit	64.47	64.78	64.71
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.82%	2.67%	11.83%
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Other Information

Closing net asset value (£)	193,683,557	216,362,296	235,379,345
Closing number of units	300,401,798	333,973,778	363,753,171
Operating charges [†]	1.18%	1.18%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	65.60p	67.55p	69.10p
Lowest unit price	62.61p	64.35p	59.53p

[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	118.40	115.31	103.65
Return before operating charges*	3.61	4.49	13.66
Operating charges (calculated on average price)	(1.40)	(1.40)	(1.33)
Return after operating charges*	2.21	3.09	12.33
Distributions [^]	(2.76)	(3.00)	(3.36)
Retained distributions on accumulation units [^]	2.76	3.00	2.69
Closing net asset value per unit	120.61	118.40	115.31
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.87%	2.68%	11.90%
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Other Information

Closing net asset value (£)	75,481,472	79,243,625	82,368,647
Closing number of units	62,582,328	66,931,199	71,433,589
Operating charges [†]	1.18%	1.18%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	121.40p	121.90p	121.40p
Lowest unit price	116.40p	115.40p	103.60p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	65.49	65.42	60.21
Return before operating charges*	1.97	2.54	7.90
Operating charges (calculated on average price)	(0.44)	(0.45)	(0.44)
Return after operating charges*	1.53	2.09	7.46
Distributions on income units [^]	(1.84)	(2.02)	(2.25)
Closing net asset value per unit	65.18	65.49	65.42
* after direct transaction costs of:	—	—	—

Performance

Return after charges	2.34%	3.19%	12.39%
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Other Information

Closing net asset value (£)	109,480	131,209	137,994
Closing number of units	167,967	200,340	210,947
Operating charges [†]	0.68%	0.68%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	66.33p	68.31p	69.86p
Lowest unit price	63.31p	65.08p	60.17p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	122.56	118.76	106.32
Return before operating charges*	3.76	4.64	14.03
Operating charges (calculated on average price)	(0.84)	(0.84)	(0.79)
Return after operating charges*	2.92	3.80	13.24
Distributions [^]	(3.48)	(3.72)	(4.02)
Retained distributions on accumulation units [^]	3.48	3.72	3.22
Closing net asset value per unit	125.48	122.56	118.76
* after direct transaction costs of:	—	—	—

Performance

Return after charges	2.38%	3.20%	12.45%
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Other Information

Closing net asset value (£)	71,730	97,832	87,114
Closing number of units	57,165	79,825	73,352
Operating charges [†]	0.68%	0.68%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	126.30p	126.10p	124.80p
Lowest unit price	121.00p	118.90p	106.30p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	64.82	64.74	59.60
Return before operating charges*	1.94	2.53	7.80
Operating charges (calculated on average price)	(0.28)	(0.29)	(0.28)
Return after operating charges*	1.66	2.24	7.52
Distributions on income units [^]	(1.97)	(2.16)	(2.38)
Closing net asset value per unit	64.51	64.82	64.74
* after direct transaction costs of:	—	—	—

Performance

Return after charges	2.56%	3.46%	12.62%
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Other Information

Closing net asset value (£)	59,677,784	52,614,166	47,813,618
Closing number of units	92,506,961	81,172,292	73,851,860
Operating charges [†]	0.44%	0.44%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	65.65p	67.62p	69.16p
Lowest unit price	62.66p	64.42p	59.56p

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Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	22/02/19 (pence per unit)	22/02/18 (pence per unit)	22/02/17 (pence per unit)
Opening net asset value per unit	126.68	122.46	109.42
Return before operating charges*	3.89	4.78	14.45
Operating charges (calculated on average price)	(0.56)	(0.56)	(0.52)
Return after operating charges*	3.33	4.22	13.93
Distributions [^]	(3.90)	(4.14)	(4.43)
Retained distributions on accumulation units [^]	3.90	4.14	3.54
Closing net asset value per unit	130.01	126.68	122.46
* after direct transaction costs of:	—	—	—

Performance

Return after charges	2.63%	3.45%	12.73%
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Other Information

Closing net asset value (£)	54,680,545	70,710,175	39,072,972
Closing number of units	42,059,286	55,819,815	31,908,012
Operating charges [†]	0.44%	0.44%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	130.90p	130.30p	128.60p
Lowest unit price	125.30p	122.60p	109.40p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units rose by 1.94%. Over the same year, the iBoxx Sterling Collateralized and Corporates Total Return Index rose by 2.56% (Source: Bloomberg).

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Market/Economic Review

Although the global economy remains on track for another year of solid growth, growth became less synchronised and more uneven across countries and regions with some loss of momentum in recent months. Worldwide, inflationary pressures have remained subdued by historical standards. Having risen to its highest level in four years in early October, the oil price (Brent crude) declined sharply to just over \$50 per barrel in December, its lowest level for 15 months, driven by increased levels of supply, notably US inventories.

In the UK, both economic and political uncertainty have heightened over the last 12 months, with precariousness as to the outcome of Brexit negotiations and the implications for trade with the EU. Although the UK government negotiated a draft withdrawal agreement with the EU, it is highly uncertain whether this will receive the consent of Parliament. While the UK economy (GDP) grew at its slowest pace for six years during the first quarter of 2018, subsequently the economy has picked up, underpinned by consumer demand and exports.

Although inflation has remained above the Bank of England's (BoE) 2% target, index-linked gilts underperformed conventional securities as inflationary pressures eased. Corporate bonds have struggled to make headway on concerns about the impact of weaker UK economic growth on earnings, and uncertainty over the outcome of Brexit negotiations.

During December, a slide in global equities prompted 'safe haven' switching into government bonds. However, high quality Sterling corporate bonds underperformed compared to gilts during the month, with 2018's total return of -2.0% marking investment grade Sterling credit's worst full-year performance since 2008. However, more recently, Sterling credit markets reversed their late-2018 declines, with spreads narrowing significantly in the insurance, capital goods and utilities sectors. High yield bonds performed strongly, with the US sector benefitting from a rebound in oil prices.

Manager's Investment Report continued

Trust Review

The Trust delivered a positive return over the review year.

We reduced overall risk during the review year as volatility increased, by participating in deals from defensive names. So far in 2019, we have selectively added risk to the portfolio, taking advantage of the buoyant new issues market. We participated in a range of issues, including deals from Orange, Deutsche Telekom International Finance, South Eastern Power Networks, brewer Anheuser-Busch InBev and financials BNP Paribas, Banque Federative du Credit Mutuel and Citigroup.

In the secondary market, having held a cautious stance towards subordinated insurance debt, we recently added some exposure, thereby adopting a less negative view. We added US Dollar exposure to Verizon Communications, taking advantage of available liquidity as valuations looked attractive relative to the US telecommunications issuer's Sterling-denominated bonds. Elsewhere, we continued to trim our already-limited exposure to commercial real estate, taking the view that spreads in even higher quality names such as Land Securities do not adequately compensate for the risks

Outlook

Looking ahead, the dovish shift from Fed's Powell is clearly very important given the concerns we have about tightening liquidity conditions, particularly in the US. Even though valuations have recovered significantly since the start of the year, they are still far from the very expensive levels we saw at the start of 2018. Therefore, tactically, holding more credit risk within the portfolios makes sense at this juncture. However, while the Fed rate hiking cycle has paused, they are still reducing the size of their balance sheet. In addition, we are concerned about weak activity data out of Europe and China, and policymakers here are unable or unwilling to react aggressively to counter this trend. Therefore, we retain our cautious longer-term outlook for credit markets and would look to sell into further strength.

Legal & General Investment Management Limited
(Investment Adviser)
27 February 2019

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.

EU Savings Directive

The Trust has been reviewed against the requirements of the Directive 2003/48/EC on Taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of distributions to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with Tax authorities in those countries.

The Trust falls within the 25% debt investment reporting threshold. This means that details of all distributions and redemption proceeds paid to non UK investors will be reported by Legal & General (Unit Trust Managers) Limited to HM Revenue & Customs to be exchanged with the relevant Tax authorities.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Trust. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Trust in the form of a payment from the Manager. This provides an enhanced return to the Trust, though the size of any return will be dependent on the size of subscriptions and redemptions.

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£100
F-Class	£500
I-Class	£1,000,000

In addition, monthly contributions can be made into the R-Class with a minimum amount of £20, and F-Class with a minimum amount of £50 per month.

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Trust; and
- ii) distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

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.

Call charges will vary. We may record and monitor calls.

Significant Changes

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Trust and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Trust is operated.

General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Managed Monthly Income Trust, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMprivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

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

Northern Trust Global Services SE UK Branch

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Independent Auditors

KPMG LLP

15 Canada Square,

London E14 5GL

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Financial Conduct Authority**

Legal & General
(Unit Trust Managers) Limited
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