

Legal & General Multi Manager Balanced Trust

Interim Manager's Report
for the period ended
15 July 2018
(Unaudited)

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Manager's Investment Report

Investment Objective and Policy

The investment objective is to achieve long-term capital growth, whilst at the same time safeguarding against excessive risks.

The Trust aims to invest in a wide range of Collective Investment Schemes and will pursue an active asset allocation policy across all countries, currencies and sector representations. The Collective Investment Schemes that the Trust invests in may be actively or passively managed and may include the Collective Investment Schemes of the Manager.

The Trust may also invest directly in transferable securities, money market instruments, near cash, cash and deposits. The Trust will use derivatives for efficient portfolio management purposes only.

Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class accumulation units fell by 0.04% compared to the IMA Mixed Investment 40-85% Shares sector average return, on a Total Return basis, of -0.24%. (Source: Lipper, using selling prices, net income reinvested, in Sterling terms, no initial charge).

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.

Market/Economic Review

Volatility returned to the markets during the first part of the period under review, with the VIX Index (a volatility measure) reaching its highest level since 2015, being impacted by better than expected US inflation data and fears that the Federal Reserve may accelerate their monetary tightening agenda, as well as the Trump administration's decision to impose tariffs on imported goods which raised concerns of a prolonged trade dispute. In Europe, Brexit continued to dominate the headlines in the UK, as the deadline for an agreement drew closer, whilst in Italy, the reaction in the markets to a new populist government evoked memories of the Eurozone sovereign debt crisis. Despite all this, encouraging first quarter earnings and a more favourable economic background enabled markets to end the review period on a more stable footing.

In this environment, the MSCI World Index (in Sterling terms) outperformed cash and government bonds, with the major international bond markets struggling to make headway as central banks began to embark on withdrawing the extraordinary monetary support that has been in place since the global financial crisis. Within equity markets, Developed markets outperformed Emerging markets, with the latter being negatively impacted by a stronger US dollar and mounting worries around the risk of protectionist trade policies. Energy was a stand-out performer within the Commodities complex, benefitting in part from OPEC's decision to gently reintroduce supply back into the market, with WTI Oil rising more than 10% over the review period to end at \$71.0 per barrel. Meanwhile, Gold's safe haven attributes helped the precious metal during the first part of the review period, although interest in the metal faltered as the US dollar strengthened, resulting in a fall of approximately 7% over the six months to end at \$1,244.3 per oz.

Manager's Investment Report continued

Trust Review

The Trust outperformed its sector over the review period. In terms of fund selection, the key performers were Blackrock European Dynamic, Man GLG Continental European Growth, Schroder Recovery, Artemis Income and Stewart Investors Asia Pacific Leaders, although these gains were offset somewhat by the holdings in J O Hambro Capital Management Japan, MI Somerset Global Emerging Markets and Blackrock Emerging Markets Local Currency Bond. With regards to asset allocation, the Trust benefitted from its overweight position to US equities, underweight position to UK fixed income and exposure to Energy, although the overweight position to Asia Pacific ex Japan equities detracted from relative performance.

Portfolio activity was minimal during the review period. We sold out of Nikko AM Japan Focus due to a change in our view of the fund's ability to outperform, and took positions in sector futures such as Japanese banks and Energy, as well as bonds to further express the team's views on asset allocation.

Outlook

Whilst we have been cautious about emerging markets for some time, based on concerns over China's credit growth, the impact of tighter US monetary policy and the risk of a stronger US dollar, we have recently started adding to emerging market hard currency debt on valuation grounds, and are also in the process of reducing our underweight position to emerging market equities. These moves are based on our view that the growth gap of emerging markets versus developed markets is widening, and also because China has started taking measures to tackle its debt, with financial stability being singled out as a key priority for President Xi Jinping's second term, together with a revamp of the country's regulatory infrastructure. We are mindful, however as to how committed the Chinese authorities will be to deleveraging if the global environment becomes less benign.

Elsewhere, there is an increasing consensus amongst market participants that the next US recession will come in 2020, and it is a view which seems reasonable to us given that by that point, it will have been the longest post-war market cycle, together with the fact that both this period and next period, growth will be supported by meaningful fiscal stimulus in the US, but by 2020 this stimulus will be waning. In addition, the Federal Reserve has been moving slowly but gradually towards more restrictive policy, which has been a leading indicator of recessions in the past. However, given the broad-base of the consensus on this view, we also believe the risk is that the recession happens later than 2020, which would open up markets to a surprise on the upside. In this scenario, it is possible that bubbles could eventually build up, as investors are drawn into equities.

Legal & General Investment Management Limited
(Investment Adviser)
8 August 2018

Authorised Status

Authorised Status

This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a Non-UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
5 September 2018

Portfolio Statement

Portfolio Statement as at 15 July 2018

All investments are in investment grade securities or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 January 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Funds investing in overseas shares — 58.72% (58.49%)		
1,151,877	Blackrock European Dynamic Fund 'FD' Acc	2,018,089	7.97
54,413	Goldman Sachs Global Small Cap Core Equity Portfolio 'I' Acc	614,323	2.43
26,647	Goldman Sachs India Equity 'I' Inc	390,917	1.54
97,320	Guinness Global Energy Fund 'A' Acc	665,987	2.63
5,365	iShares STOXX Europe 600 Utilities UCITS ETF	142,475	0.56
423,435	J O Hambro Capital Management Japan Fund 'A' Inc	1,036,569	4.10
329,100	Lazard Global Listed Infrastructure Equity Fund 'Stg£ Institutional' Acc	619,268	2.45
247,979	Lazard Global Listed Infrastructure Equity Fund 'US\$ Hedged Institutional' Acc	553,838	2.19
899,695	Legal & General Global Emerging Markets Index Fund 'I' Inc	516,425	2.04
1,198,467	Legal & General Global Real Estate Dividend Index Fund 'L' Inc	749,881	2.96
1,017,460	Legal & General US Index Trust 'I' Inc	4,316,064	17.06
2,730	Legg Mason Western Asset Structured Opportunities 'Premier Class US\$' Acc	262,152	1.04
607,729	Man GLG Continental European Growth Fund 'CH' Acc	864,799	3.42
299,610	MI Somerset Global Emerging Markets Fund 'B' Acc	772,925	3.05
181,433	Stewart Investors Asia Pacific Leaders Fund 'B' Acc	1,335,167	5.28
		14,858,879	58.72
	Funds investing in overseas fixed interest securities — 15.29% (18.38%)		
40,769	Blackrock Emerging Markets Local Currency Bond Fund 'D2' Acc	762,422	3.01
2,549	JPM Global Corporate Bond Fund GBP (Hedged) 'C' Inc	166,113	0.66
2,005,871	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	1,063,312	4.20
2,290	MI Dynamic Bond Fund 'I' Inc	249,852	0.99
81,695	Neuberger Berman Global Bond Absolute Return Fund '15' Acc	846,364	3.34

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Funds investing in overseas fixed interest securities — (cont.)			
76,494	Nordea Global High Yield Bond Fund HBI GBP Acc	781,766	3.09
		<hr/>	<hr/>
		3,869,829	15.29
Funds investing in UK shares — 19.06% (18.09%)			
661,112	Artemis Income Fund 'I' Inc	1,691,654	6.69
199,480	Henderson UK Property PAIF 'I' Acc	281,287	1.11
189,065	Old Mutual UK Mid Cap Fund 'U1' Acc	343,341	1.36
2,820,122	Schroder Recovery Fund 'L' Acc	2,086,044	8.24
137,896	TB Evenlode Income Fund 'C' Acc	421,107	1.66
		<hr/>	<hr/>
		4,823,433	19.06
GOVERNMENT BONDS — 1.10% (0.00%)			
EUR 149,000	Hellenic Republic Government Bond 3.375% 15/02/2025 ¹	132,006	0.52
USD 175,000	United States Treasury Inflation Indexed Bonds 1% 15/02/2046	146,596	0.58
		<hr/>	<hr/>
		278,602	1.10
FUTURES CONTRACTS — -0.06% (0.31%)			
14	E-Mini Russell 2000 Index Future Expiry September 2018	10,905	0.04
14	Mexican Bolsa Index Future Expiry September 2018	10,003	0.04
(3)	MSCI Emerging Markets Index Future Expiry September 2018	8,067	0.03
24	STOXX Europe Small 200 Index Future Expiry September 2018	(5,313)	(0.02)
9	TOPIX Banks Index Future Expiry September 2018	(4,584)	(0.02)
3	TOPIX Future Expiry September 2018	7,915	0.03
(7)	XAE Energy Future Expiry September 2018	(3,839)	(0.01)
(3)	EUR/USD Currency Future Expiry September 2018	3,159	0.01
58	GBP/USD Currency Future Expiry September 2018	(56,324)	(0.22)
5	JPY/USD Currency Future Expiry September 2018	(7,744)	(0.03)
12	MXN/USD Currency Future Expiry September 2018	20,126	0.08
4	RUB/USD Currency Future Expiry September 2018	1,143	0.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
FUTURES CONTRACTS — (cont.)			
17	USD/KRW Currency Future Expiry August 2018	489	—
		(15,997)	(0.06)
Portfolio of investments²		23,814,746	94.11
Net other assets³		1,491,819	5.89
Total net assets		£25,306,565	100.00%

¹ These are sub-investment grade fixed interest securities and represent 0.52% of the net assets of the Trust.

² Including investment liabilities.

³ Includes £702,224 of nominals in the LGIM Sterling Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Trust.

Total purchases for the period: £372,855.

Total sales for the period: £1,512,089.

Financial Statements

Statement of Total Return for the period ended 15 July 2018

	15/07/18		15/07/17	
	£	£	£	£
Income				
Net capital (losses)/ gains		(50,846)		945,529
Revenue	191,263		180,393	
Expenses	(143,326)		(145,795)	
Interest payable and similar charges	(300)		—	
Net revenue before taxation	<u>47,637</u>		<u>34,598</u>	
Taxation	(2,059)		(215)	
Net revenue after taxation for the period		<u>45,578</u>		<u>34,383</u>
Total return before distributions		(5,268)		979,912
Distributions		(45,588)		(34,383)
Change in net assets attributable to Unitholders from investment activities		<u>£(50,856)</u>		<u>£945,529</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 15 July 2018

	15/07/18		15/07/17	
	£	£	£	£
Opening net assets attributable to Unitholders		26,201,475		25,547,633
Amounts received on issue of units	569,451		987,106	
Amounts paid on cancellation of units	(1,456,260)		(2,023,365)	
		(886,809)		(1,036,259)
Change in net assets attributable to Unitholders from investment activities		(50,856)		945,529
Retained distributions on accumulation units		42,755		32,147
Closing net assets attributable to Unitholders		<u>£25,306,565</u>		<u>£25,489,050</u>

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 15 July 2018

	15/07/18 £	15/01/18 £
ASSETS		
Fixed assets:		
Investments	23,892,550	24,988,251
Current assets:		
Debtors	55,032	63,699
Cash and bank balances	816,484	582,130
Cash equivalents	702,224	700,373
Total assets	<u>25,466,290</u>	<u>26,334,453</u>
LIABILITIES		
Investment liabilities	(77,804)	(26,291)
Creditors:		
Bank overdrafts	(40,981)	(69,934)
Distributions payable	(1,924)	(5,334)
Other creditors	(39,016)	(31,419)
Total liabilities	<u>(159,725)</u>	<u>(132,978)</u>
Net assets attributable to Unitholders	<u>£25,306,565</u>	<u>£26,201,475</u>

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 (2014 SORP).

2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

Trust Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	703,510	940,394	74.81
Accumulation Units	19,058,957	23,517,367	81.04
F-Class			
Distribution Units	41,440	55,400	74.80
Accumulation Units	21,154	26,049	81.21
I-Class			
Distribution Units	271,464	362,953	74.79
Accumulation Units	5,210,040	6,280,075	82.96

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.

Ongoing Charges Figures

	15 Jul 18	15 Jan 18
R-Class	1.81%	1.81%
F-Class	1.66%	1.71%
I-Class	1.42%	1.42%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, 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.

Distribution Information

R-Class

The distribution payable on 15 September 2018 is 0.1015p per unit for distribution units and 0.1098p per unit for accumulation units.

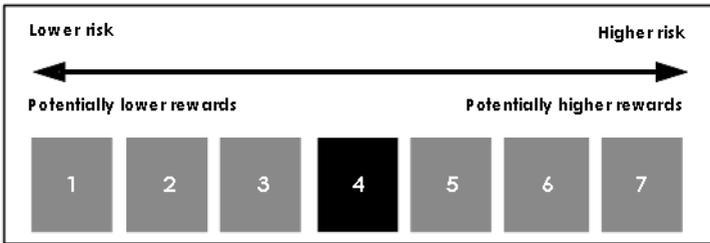
F-Class

The distribution payable on 15 September 2018 is 0.1568p per unit for distribution units and 0.1698p per unit for accumulation units.

I-Class

The distribution payable on 15 September 2018 is 0.2430p per unit for distribution units and 0.2688p per unit for accumulation units.

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 number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which a representative mix of the underlying funds has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Trust is in category four because the mix of different asset types in which the Trust invests has a balancing effect on the rate at which the Trust share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- 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.

General Information

Constitution

Launch date:	25 April 2008
Year end:	15 January
Period end dates for distributions:	15 January, 15 July
Distribution dates:	15 March, 15 September
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.23% F-Class* Annual 1.08% I-Class Annual 0.84%
Initial charges:	R-Class Nil F-Class* Nil I-Class Nil

* 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.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/daily-fund-prices immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at www.legalandgeneral.com. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

ISA Status

This Trust may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

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

General Information continued

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

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

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.

Remuneration Disclosure

In accordance with the Alternative Investment Fund Managers Directive (AIFMD), the Legal & General Multi Manager Balanced Trust, as an Alternative Investment Fund (AIF), is required to disclose the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the Alternative Investment Fund Manager (AIFM) to its staff, the number of beneficiaries, and, where relevant, carried interest paid by the AIF.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it as at 31 December 2017.

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
20	4,449	8,128	7

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
28	3,121	5,015	9

General Information continued

Controlled Functions

As at 31 December 2017, Legal & General Unit Trust Managers Limited (UTM) engaged the services of six employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, the services of one further Non-executive Director was engaged during the year. UTM also engaged the services of a further eight LGIMH employees plus three LGR employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have pro-rated the remuneration figures by the Net Asset Value of the AIF as a percentage of the total assets under management of UTM.

Material Risk Takers

As at the 31 December 2017, UTM engaged the services of Legal & General Investment Management's Multi Asset Allocation Investment Team, which consists of 28 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Trust. The team is also engaged in managing other Legal & General Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have pro-rated the remuneration figures by the Net Asset Value of the AIF as a percentage of the total assets under management of the Investment Team.

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 Multi Manager Balanced 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.

General Information continued

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Morrissey
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services PLC
Trustee and Depository 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

Investment Adviser

Legal & General Investment Management Limited
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London EC2R 5AA
Authorised and regulated by the Financial Conduct Authority

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

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