

Legal & General Distribution Trust
**Interim Manager's
Short Report
for the period ended
14 April 2018**

**EVERY
DAY
MATTERS.®**


**Legal &
General**

Investment Objective and Policy

The investment objective of this Trust is to provide a combination of income and long-term growth.

The Manager will seek to achieve this objective by investing (directly or indirectly through Collective Investment Schemes) in a diversified portfolio of bonds and equities, as well as such other assets as may be permitted (from time to time) for investment by this type of Trust.

The Manager will aim to identify a combination of investments that are expected to produce income, together with some potential for capital growth. Investments may be selected from any geographical area or economic sector. The Manager may invest in other Collective Investment Schemes, including those managed by companies in the Legal & General group.

Risk Profile

Credit Risk

This Trust holds investments in Collective Investment Schemes which directly invest 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.

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.

Interest Rate Risk

This Trust holds investments in interest distributing Funds. The performance of the Trust may therefore be affected by changes in interest rates, through its holdings in these schemes.

Currency Risk

This Trust holds investments in overseas financial securities. It also invests in Collective Investment Schemes that hold 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.

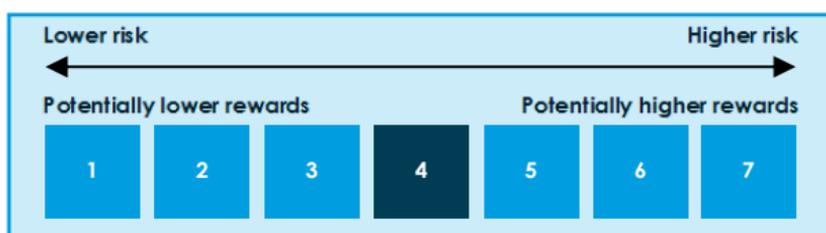
Trust Facts

Period End Dates for Distributions:	14 Apr, 14 Oct	
Distribution Dates:	14 Jun, 14 Dec	
Ongoing Charges Figures:	14 Apr 18	14 Oct 17
R-Class	1.43%	1.49%
F-Class	0.93%	0.99%
I-Class	0.67%	0.70%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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.

Risk and Reward Profile



- This risk and reward indicator 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 investments 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 trust 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.

Distribution Information

R-Class

The distribution payable on 14 June 2018 is 0.8229p per unit for distribution units and 1.3180p per unit for accumulation units.

F-Class

The distribution payable on 14 June 2018 is 0.9004p per unit for distribution units and 1.4573p per unit for accumulation units.

I-Class

The distribution payable on 14 June 2018 is 0.9387p per unit for distribution units and 1.5317p per unit for accumulation units.

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	6,061,052	10,541,852	57.50
Accumulation Units	14,343,981	15,355,570	93.41
F-Class			
Distribution Units	109,944	187,091	58.76
Accumulation Units	368,948	382,067	96.57
I-Class			
Distribution Units	10,282,662	17,374,599	59.18
Accumulation Units	29,878,226	30,458,638	98.09

Past performance is not a guide to future performance.

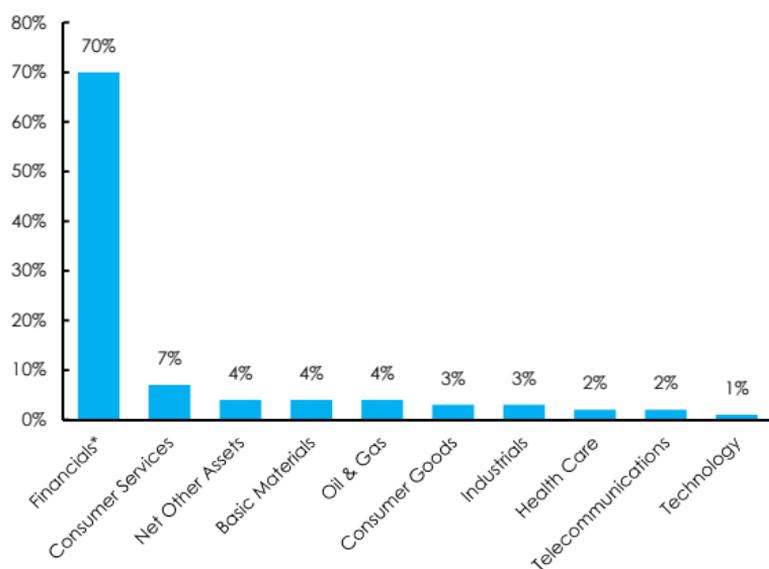
The price of units and any income from them may go down as well as up.

Portfolio Information

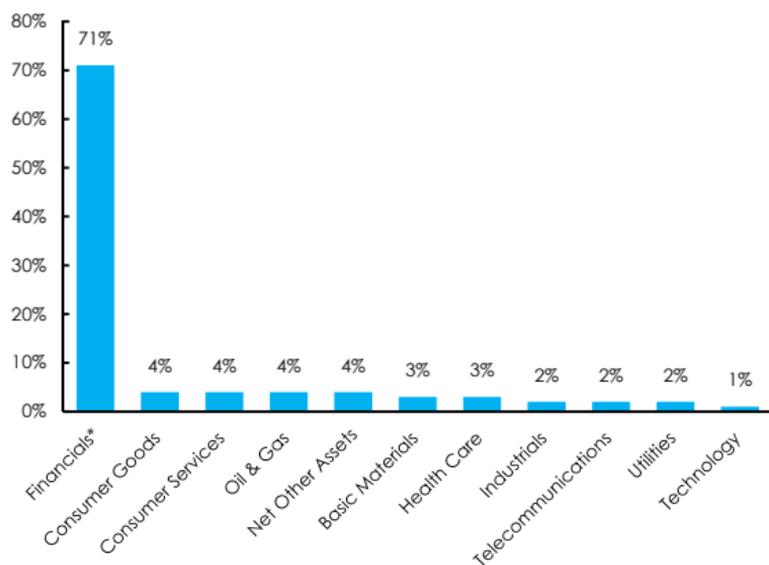
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 14 April 2018		Top 10 Holdings at 14 October 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Legal & General High Income Trust 'I' Inc	12.86%	Legal & General High Income Trust 'I' Inc	9.97%
Legal & General Short Dated Sterling Corporate Bond Index Fund 'I' Inc	8.55%	United Kingdom Gilt 5% 07/03/2025	8.91%
United Kingdom Gilt 4.25% 07/03/2036	8.09%	Legal & General Short Dated Sterling Corporate Bond Index Fund 'I' Inc	7.83%
Legal & General Sterling Income Fund 'I' Inc	6.90%	United Kingdom Gilt 4.25% 07/03/2036	7.27%
United Kingdom Gilt 5% 07/03/2025	6.63%	Legal & General Sterling Income Fund 'I' Inc	6.34%
Legal & General Managed Monthly Income Trust 'R' Inc	6.21%	Legal & General Managed Monthly Income Trust 'R' Inc	5.71%
Legal & General Fixed Interest Trust 'R' Inc	6.20%	Legal & General Fixed Interest Trust 'R' Inc	5.69%
Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	3.91%	Legal & General Dynamic Bond Trust 'L' Inc	4.69%
BP	1.80%	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	3.55%
Vodafone Group	1.62%	BP	1.99%

Trust Holdings as at 14 April 2018



Trust Holdings as at 14 October 2017



*Includes holdings in Legal & General Collective Investment Schemes representing 46% of the Net Assets of the Trust at 14 April 2018 (44% at 14 October 2017).

Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 2.47%.

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.

Market/Economic Review

The review period could be split into two phases. The fourth quarter of 2017 and January 2018 were characterised by contained volatility and positive sentiment, whereas February onwards saw volatility return to markets. This was initially due to concerns about rising yields and later exacerbated by fears of a possible trade war between the US and China.

Global equity indices ended the period broadly unchanged. Although UK equities finished 2017 on a positive note, they have since marked three consecutive months of losses. Companies with high international earnings in sectors such as healthcare and food and beverage were negatively affected by Sterling's recent strength. Despite the uncertainty around Brexit and its implications for the UK economy, the UK property market continues to show signs of resilience. Although gilts gained ground as investors turned to 'safe haven' assets, the outlook for gilts remains gloomy: inflation remains above the Bank of England's 2% target, and we expect more rate hikes than the market anticipates. Improving corporate profitability and low default rates have underpinned Sterling corporate bonds, though the asset class underperformed gilts during the recent increase of risk aversion in markets.

Trust Review

The Trust delivered negative returns against this backdrop, mainly driven by the portfolio's equity holdings.

Among equities, the leading contributors to performance included industrial businesses GKN and Ultra Electronics, Barclays, bookmaker Ladbrokes Coral Group and food retailer Tesco. Not owning support service group Capita and energy supplier Centrica was also a positive contributor relative to benchmark. Leading detractors from performance included technology company Micro Focus International, insurance and travel business Saga, asset manager Jupiter, media group WPP and broking business TP ICAP. Not owning broadcaster Sky was also a drag on returns relative to benchmark.

In terms of portfolio activity, we initiated new positions in food retailers Tesco and WM Morrison Supermarkets, Ultra Electronics, wealth manager Brewin Dolphin and gaming business GVC. We added to our existing holdings in Barclays, Lloyds Banking Group, Saga and motor insurer Direct Line Insurance Group. Complete sales included house builder Taylor Wimpey, beverage company Britvic, energy supplier SSE and materials group CRH, while we made reductions to our holdings in oil major BP, broadcaster ITV,

Manager's Investment Report continued

defence group BAE Systems and healthcare companies GlaxoSmithKline and AstraZeneca.

Our gilt holdings added slightly to performance while credit was flat over the period. Following recent underperformance, the Trust added to the L&G High Income Trust to take advantage of the higher yields available.

Outlook

The risk of recession seems low for the immediate future, and there has been no major challenge to the near-term outlook of solid, synchronous global growth. Looking ahead, we remain wary of rising 'late-cycle' risks in some regions. If this risk materialises, we are likely to transition from an environment with steady global growth and low inflation to one with rising inflation concerns.

In this environment, we prefer equity to credit exposure. If the past offers any guide to the future, credit tends to be the first asset class to underperform prior to entering a recession.

Among UK equities, we remain focused on the banking sector and food retailers. Banks have rebuilt their capital levels, which, combined with rising interest rates, should pave the way for an increased focus on dividends. Furthermore, large food retailers are responding to the competition from discount retailers with merger activity and expansion in other channels such as food wholesale in order to increase their revenues.

The Trust has a large exposure to UK assets. For the time being, the UK economy is performing relatively well, with a falling unemployment rate and strong PMI prints – though cold weather dampened first-quarter growth.

In terms of global economic and geopolitical risks, we are monitoring the risks of a trade war between the US and China and escalation in the Syrian conflict. On the other hand, the situation in the Korean Peninsula seems to be improving.

Legal & General Investment Management Limited

(Investment Adviser)

9 May 2018

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. With effect from 1 January 2016, 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, through 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	£20
F-Class	£500
I-Class	£1,000,000

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

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 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.

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

Significant Changes

Change of Fund Management Fees (FMF)

With effect from 2 January 2018, the FMF for all share classes were reduced as shown below:

	Old FMF	New FMF
R-Class	1.49%	1.41%
F-Class	0.99%	0.91%
I-Class	0.70%	0.66%

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 International Index 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 PLC

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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