

Legal & General Fixed Interest Trust
**Interim Manager's
Short Report
for the period ended
5 March 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective is to invest for high income and the prospects of capital growth from fixed interest securities, including overseas issues.

The Manager will choose from a variety of fixed interest instruments including convertibles and preference shares.

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. Derivative instruments such as Credit Default Swaps (CDS) may also be used to adjust the credit profile, duration, or reflect perceived changes in market sentiment.

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.

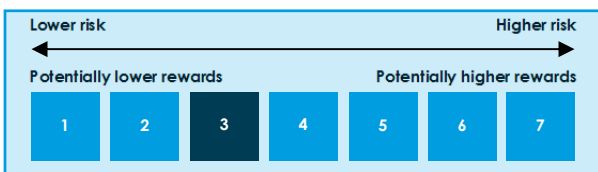
Trust Facts

Period End Dates for Distributions:	5 Mar, Jun, Sep and Dec	
Distribution Dates:	5 Feb, May, Aug and Nov	
Ongoing Charges Figures:	5 Mar 18	5 Sep 17
R-Class	0.92%	0.92%
A-Class	0.92%	0.92%
F-Class	0.57%	0.57%
I-Class	0.33%	0.33%

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 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 benchmark 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 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.
- 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 5 May 2018 is 0.4257p per unit for distribution units and 0.8218p per unit for accumulation units.

A-Class

The distribution payable on 5 May 2018 is 0.4257p per unit for distribution units and 0.8218p per unit for accumulation units.

F-Class

The distribution payable on 5 May 2018 is 0.4935p per unit for distribution units and 0.9680p per unit for accumulation units.

I-Class

The distribution payable on 5 May 2018 is 0.5316p per unit for distribution units and 1.0831p 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	639,304,384	899,825,488	71.05
Accumulation Units	335,217,986	243,004,000	137.95
A-Class			
Distribution Units	181,517	255,486	71.05
Accumulation Units	830,259	601,866	137.95
F-Class			
Distribution Units	442,677	616,693	71.78
Accumulation Units	655,441	462,361	141.76
I-Class			
Distribution Units	174,137,304	245,037,899	71.07
Accumulation Units	208,006,668	142,604,429	145.86

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.

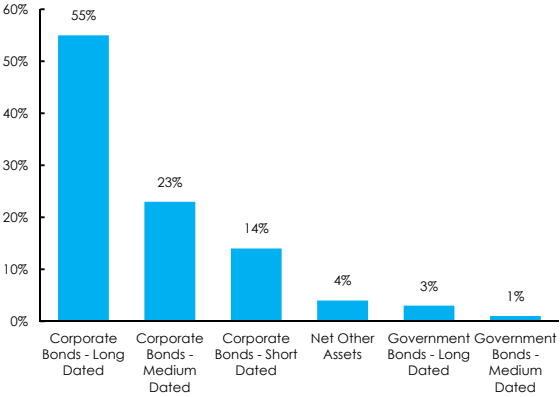
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

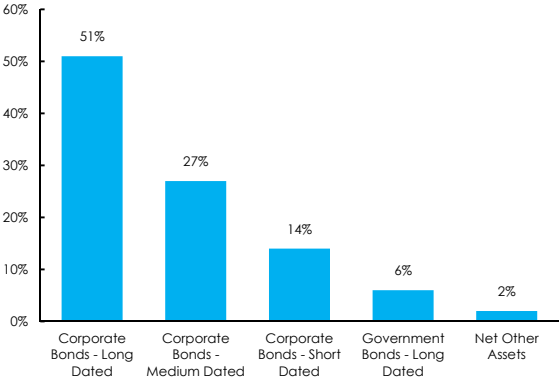
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 5 March 2018		Top 10 Holdings at 5 September 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Prudential 11.375% 29/05/2039	1.59%	UK Treasury Gilt 4.25% 07/06/2032	2.06%
Electricite de France 5.5% 17/10/2041	1.39%	Prudential 11.375% 29/05/2039	1.61%
Scottish Widows 5.5% 16/06/2023	1.07%	Lloyds TSB Bank 6.5% 17/09/2040	1.20%
GlaxoSmithKline Capital 5.25% 19/12/2033	1.04%	Electricite de France 5.5% 17/10/2041	1.19%
		Western Power Distribution East Midlands 5.25% 17/01/2023	1.16%
AT&T 7% 30/04/2040	1.04%	Scottish Widows 5.5% 16/06/2023	1.05%
AT&T 3.55% 14/09/2037	1.03%		
Thames Water Utilities Cayman Finance 4% 19/06/2025	0.96%	GlaxoSmithKline Capital 5.25% 19/12/2033	1.00%
HSBC 5.844% Open Maturity	0.94%	Heathrow Funding 7.125% 14/02/2024	0.94%
		Thames Water Utilities Cayman Finance 5.75% 13/09/2030	0.94%
Lloyds TSB Bank 6.5% 17/09/2040	0.94%		
Heathrow Funding 7.125% 14/02/2024	0.93%	AT&T 7% 30/04/2040	0.93%

Trust Holdings as at 5 March 2018



Trust Holdings as at 5 September 2017



Manager's Investment Report

During the six-month period under review, the Trust's R-Class accumulation units fell by 1.57%, compared to a fall in the iBoxx Sterling Collateralized and Corporates Total Return Index of 2.08% (Source: Bloomberg).

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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

With global economic growth accelerating, expectations of rising inflation have weakened investment grade bond markets globally. The US Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates to 1.5% in December, while signalling three further rate hikes in 2018. The Fed also began unwinding its asset purchase programme, known as quantitative easing (QE), in October.

However, the period under review saw continued positive returns across high yield bond markets, despite some volatility in the middle of the final quarter of 2017 amid a large amount of corporate issuance, and again in February 2018 amid a global sell-off on riskier assets on concerns that the Federal Reserve may be required to raise US interest rates more rapidly than anticipated. Meanwhile, emerging bond markets continued to attract substantial inflows from international investors looking for higher levels of income.

Trust Review

The Trust delivered negative returns but marginally outperformed the benchmark in a challenging period for credit markets.

In October 2017, we participated in six new deals in the reasonably active primary market and added a range of shorter-dated subordinated financial bonds in the secondary market. We made further purchases in the primary market in November, buying high-quality short-dated bonds ahead of the quiet market year-end.

In 2018, we have participated in a number of new issues. Although we reduced overall credit risk, we participated in new issues from Wellcome Trust, Barclays, UBS, Dwr Cymru Financing, Just Group, Scania and NewRiver REIT.

The purchases were offset by reductions in housing association exposure via sales in Notting Hill Housing Trust and THFC Funding, as well as exposure to Anglian Water Services Financing. We lowered other collateralised exposure elsewhere through sales of a Greene King pubs securitisation issue and RMPA Services. We also sold broadcaster Sky.

Manager's Investment Report continued

Outlook

Looking ahead, we believe the economic environment is supportive for high yield companies, with continued steady growth across all regions, combined with low financing costs and moderate corporate leverage. A low yield environment and subdued inflation continues to prevent central banks from acting quickly with monetary tightening policy and ensure the market is likely to be well prepared for any announcements regarding economic policy.

While sectors such as telecoms are vulnerable to disruptive technology and appear over-levered, overall credit quality is improving across the high yield Index. Furthermore, default rates are staying low, meaning that overall downside risk is diminishing in our view. With global yields remaining low in a long-term context, we believe this backdrop is likely to continue to increase investors' desire to seek higher income.

Legal & General Investment Management Limited

(Investment Adviser)

28 March 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. 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	£500
A-Class	£500
F-Class	£500
I-Class	£1,000,000

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

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- ii) authorised intermediaries or 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.

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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

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

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Financial Conduct Authority**

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