

Legal & General
Managed Monthly Income Trust

**Interim Manager's
Short Report
for the period ended
22 August 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this 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.

For the purposes of efficient portfolio management, any of the forms of derivatives outlined in the Prospectus may be effected.

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.

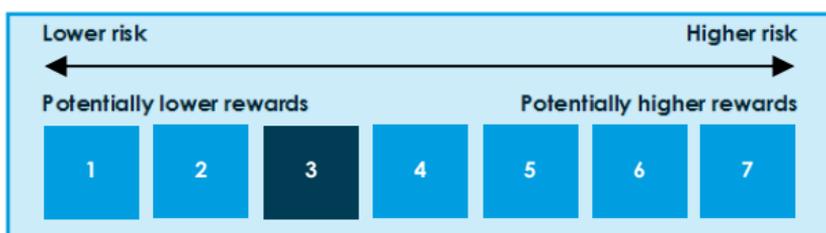
Trust Facts

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 Aug 18	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 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 21 September 2018 is 0.1118p per unit for distribution units and 0.2063p per unit for accumulation units.

F-Class

The distribution payable on 21 September 2018 is 0.1409p per unit for distribution units and 0.2667p per unit for accumulation units.

I-Class

The distribution payable on 21 September 2018 is 0.1527p per unit for distribution units and 0.3022p 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	206,022,599	318,557,826	64.67
Accumulation Units	77,649,074	64,963,945	119.53
F-Class			
Distribution Units	121,064	185,167	65.38
Accumulation Units	76,879	61,981	124.04
I-Class			
Distribution Units	54,483,960	84,196,369	64.71
Accumulation Units	59,049,235	46,004,095	128.36

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.

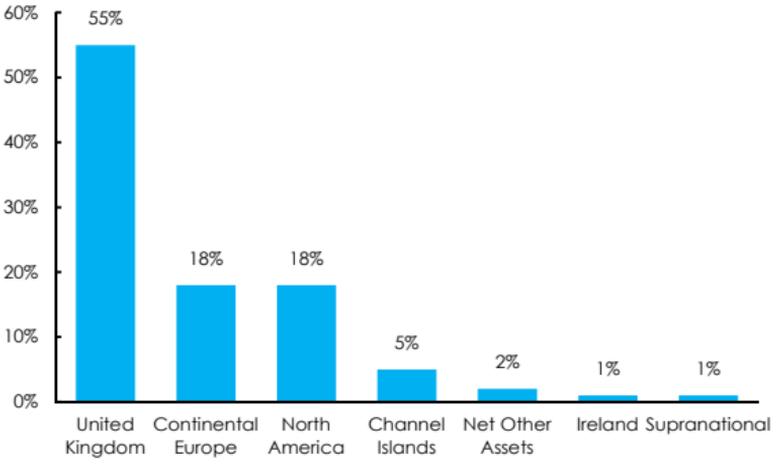
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

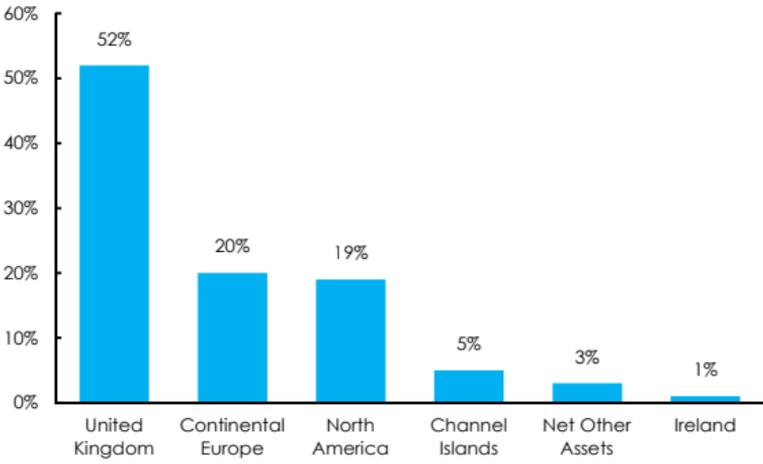
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 22 August 2018		Top 10 Holdings at 22 February 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
United Kingdom Gilt 4.25% 07/06/2032	2.77%	Electricite de France 5.5% 17/10/2041	1.85%
Electricite de France 5.5% 17/10/2041	1.95%	United Kingdom Gilt 2.25% 07/09/2023	1.57%
Tesco Property Finance 1 7.623% 13/07/2039	1.60%	Prudential 11.375% 29/05/2039	1.55%
Lloyds Bank 7.625% 22/04/2025	1.50%	Tesco Property Finance 1 7.623% 13/07/2039	1.52%
Prudential 11.375% 29/05/2039	1.48%	HSBC Bank 5.844% Open Maturity	1.35%
Belden 3.875% 15/03/2028	1.38%	Centrica 4% 16/10/2023	1.30%
Orange 5.875% Open Maturity	1.25%	E.ON International Finance 5.875% 30/10/2037	1.21%
Brit Insurance 6.625% 09/12/2030	1.22%	Orange 5.875% Open Maturity	1.21%
Credit Agricole 8.125% Open Maturity	1.11%	Brit Insurance 6.625% 09/12/2030	1.20%
Connect Plus M25 Issuer 2.607% 31/03/2039	1.10%	Credit Agricole 8.125% Open Maturity	1.14%

Trust Holdings as at 22 August 2018



Trust Holdings as at 22 February 2018



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class accumulation units rose by 1.01%. Over the same period, the iBoxx Sterling Collateralised and Corporates Total Return Index rose by 1.25% (Source: Bloomberg).

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

The major international bond markets struggled 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. With global economic growth accelerating, expectations of rising inflation have also held back bonds, although as equity markets became more volatile there was some rotation back into government bonds during the first quarter of 2018. The US Federal Reserve (Fed) raised interest rates by 0.25% in March and again in June, with investors discounting the prospect of two further rate hikes in 2018. The Fed also continued unwinding its asset purchase programme, known as quantitative easing (QE). For UK-based investors, Sterling's weakness has resulted in positive currency adjusted returns from international bonds over the review period.

Although the European Central Bank (ECB) announced it would cease its QE programme at the end of 2018, the ECB has reassured investors that it would not raise interest rates until at least mid-2019. The Bank of Japan's (BOJ) negative interest rate policy, and its announcement that it will intervene if necessary to keep the yield on benchmark 10-year bonds at around 0%, underpinned Japanese government bonds.

Gilts recorded a modest gain over the review period. Although inflation remains above the Bank of England's (BOE) 2% target, the benchmark consumer price index peaked in November and fell to its lowest rate since March 2017 in June 2018. The UK economy grew at its slowest pace for six years during the first quarter of 2018, leading the BOE to shelve plans for an interest rate hike in May. Despite lower inflation, index-linked gilts marginally outperformed their conventional counterparts, underpinned by liability driven demand from UK institutional investors. Sterling-denominated corporate bonds were more volatile, given on-going concerns about the UK economic outlook and corporate profits, amid continuing uncertainty as to the outcome of Brexit negotiations with the EU.

Trust Review

The Trust delivered a positive return over the review period, driven by the compression in underlying gilt yields, and despite a slight widening in Sterling credit market spreads.

Manager's Investment Report continued

During a busy period of portfolio activity we reduced the Trust's overall net risk given our broad macroeconomic concerns over the potential for higher underlying interest rates and wider Sterling credit spreads. In terms of specific activity, we continued to reduce exposure to US mobile operator Verizon Communications, taking the view that the on-going prospect of merger and acquisition activity continues to present a pricing risk. We reduced our holdings in Latin American peer America Movil given our concern over recent comments from management over potentially seeking to trigger an early redemption option.

In high yield, we took profits from the sale of property website owner Zoopla as we believe that further upside following the Silver Lake takeover looks limited.

Outlook

Looking ahead, the second quarter earnings season underlined the strong fundamental backdrop for markets, but we expect global central banks to keep gradually tightening policy in the face of tighter labour markets and upward pricing pressures.

So far this year, tightening liquidity conditions have been driving market weakness, and we expect this to continue for the next few months. Valuations have corrected across many credit markets, and are no longer obviously expensive in our view.

However, we don't think they represent good value yet, given the environment of tightening liquidity. We therefore remain relatively defensively positioned.

Legal & General Investment Management Limited

(Investment Adviser)

31 August 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, 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	£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 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 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 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

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

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
HIF0918

