Distribution Number 33

Legal & General Fixed Interest Trust

Annual Manager's Short Report for the year ended 5 September 2013

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 convertible 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.

Market Risk

Market risk arises mainly from uncertainty about future prices. 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. 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.

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 Sep 13	5 Sep 12
R-Class	0.92%	0.92%
A-Class	0.92%	0.92%
I-Class	0.33%	0.34%
F-Class	0.57%	0.57%

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

Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards
1	2	3	**4**	5	6	7

- 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 is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category four because it invests in investment grade bonds which generally provide higher rewards and higher risks than investments in cash and lower rewards and lower risks than investments in sub-investment grade bonds or 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.

Trust Performance

Accounting Date	Net Asset Value Of Trust	Net Asset Value Per Unit	Number Of Units In Issue
5 Sep 11			
R-Class			
Distribution Units	£612,602,296	60.55p	1,011,775,716
Accumulation Units	£386,745,251	97.04p	398,550,743
A-Class			
Distribution Units	£7,105,168	60.55p	11,734,916
Accumulation Units	£7,722,226	97.04p	7,957,949
I-Class			
Distribution Units	£132,508,019	60.56p	218,819,088
Accumulation Units	£130,411,869	99.34p	131,284,098
5 Sep 12			
R-Class			
Distribution Units	£683,120,467	64.19p	1,064,255,974
Accumulation Units	£403,964,330	106.60p	378,945,061
A-Class			
Distribution Units	£6,541,359	64.19p	10,191,031
Accumulation Units	£9,259,727	106.60p	8,686,154
I-Class			
Distribution Units	£77,819,289	64.20p	121,219,367
Accumulation Units	£91,494,225	109.65p	83,439,777
F-Class*			
Distribution Units	£1,005	64.84p	1,550
Accumulation Units	£1,013	107.65p	941
5 Sep 13			
R-Class			
Distribution Units	£723,569,872	63.26p	1,143,876,663
Accumulation Units	£384,986,271	108.53p	354,713,619
A-Class			
Distribution Units	£5,935,390	63.26p	9,383,136
Accumulation Units	£9,648,892	108.53p	8,890,161
I-Class			
Distribution Units	£74,985,046	63.27p	118,523,435
Accumulation Units	£98,981,475	112.17p	88,243,674
F-Class*			
Distribution Units	£18,847	63.91p	29,492
Accumulation Units	£98,410	110.03p	89,436

* F-Class units launched on 17 August 2012.

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.

Distribution Information

R-Class

The distribution payable on 5 November 2013 is 0.5221p net per unit for distribution units and 0.8885p net per unit for accumulation units.

A-Class

The distribution payable on 5 November 2013 is 0.5221p net per unit for distribution units and 0.8885p net per unit for accumulation units.

I-Class

The distribution payable on 5 November 2013 is 0.5993p net per unit for distribution units and 1.0525p net per unit for accumulation units.

F-Class

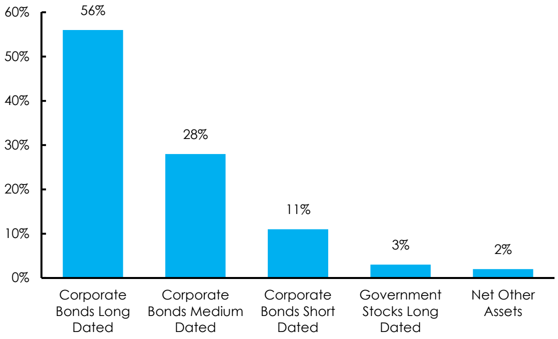
The distribution payable on 5 November 2013 is 0.5730p net per unit for distribution units and 0.9779p net per unit for accumulation units.

Portfolio Information

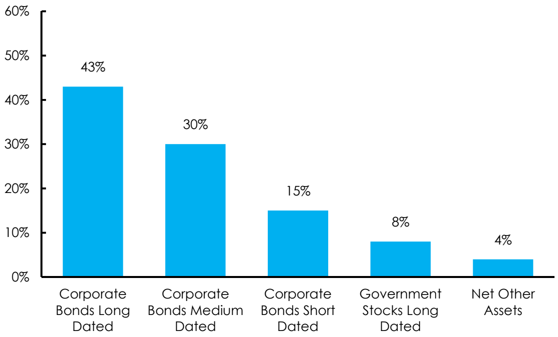
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 5 September 2013		Top 10 Holdings at 5 September 2012	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Prudential 11.375% 29/05/2039	1.85%	Treasury 4.25% 07/12/2040	3.46%
Barclays Bank 10% 21/05/2021	1.38%	Prudential 11.375% 29/05/2039	1.84%
E.ON International Finance 6% 30/10/2019	1.21%	E.ON International Finance 6% 30/10/2019	1.31%
Land Securities Capital Markets 4.875% 07/11/2019	1.20%	Enel Finance International 5.625% 14/08/2024	1.30%
HSBC 6.5% 20/05/2024	1.19%	Barclays Bank 10% 21/05/2021	1.28%
Coventry Building Society 6% 16/10/2019	1.17%	HSBC 6.5% 20/05/2024	1.26%
Enel Finance International 5.625% 14/08/2024	1.05%	Land Securities Capital Markets 4.875% 07/11/2019	1.25%
Électricité de France 6.125% 02/06/2034	1.03%	Treasury 4.25% 07/06/2032	1.20%
Nationwide Building Society 5.625% 09/09/2019	0.99%	Coventry Building Society 6% 16/10/2019	1.17%
Westfield Financial 5.5% 27/06/2017	0.98%	RWE Finance 5.5% 06/07/2022	1.12%

Trust Holdings as at 5 September 2013



Trust Holdings as at 5 September 2012



Unit Price Range and Net Revenue

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	60.57p	48.56p	2.4972p
2009	58.21p	44.51p	2.5947p
2010	62.54p	56.64p	2.2789p
2011	62.38p	58.02p	2.3784p
2012	66.86p	59.52p	2.1882p
2013[1]	68.88p	63.17p	2.1257p
Accumulation Units			
2008	82.41p	68.50p	3.4205p
2009	86.26p	64.38p	3.7231p
2010	96.33p	84.84p	3.4275p
2011	99.01p	90.76p	3.7192p
2012	111.20p	96.32p	3.5562p
2013[1]	116.30p	107.50p	3.5736p

A-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	62.39p	48.56p	2.4972p
2009	59.96p	44.51p	2.5947p
2010	64.42p	56.64p	2.2789p
2011	64.26p	58.02p	2.3784p
2012	68.86p	59.52p	2.1882p
2013[1]	70.94p	63.17p	2.1257p
Accumulation Units			
2008	84.88p	68.50p	3.4205p
2009	88.85p	64.38p	3.7231p
2010	99.22p	84.84p	3.4275p
2011	101.90p	90.76p	3.7192p
2012	114.60p	96.32p	3.5562p
2013[1]	119.80p	107.50p	3.5736p

[1] The above tables show the highest offer and lowest bid prices to 5 September 2013 and the net revenue per unit to 5 November 2013.

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.

Unit Price Range and Net Revenue continued

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	60.59p	48.79p	2.7073p
2009	58.27p	45.29p	2.7778p
2010	62.58p	56.82p	2.5415p
2011	62.45p	58.06p	2.6564p
2012	66.92p	59.54p	2.4847p
2013(2)	68.94p	63.20p	2.4361p
Accumulation Units			
2008	83.12p	69.43p	3.7388p
2009	87.72p	66.34p	4.0344p
2010	98.21p	86.43p	3.8831p
2011	101.30p	92.66p	4.2365p
2012	114.60p	98.76p	4.1493p
2013(2)	120.00p	111.00p	4.2198p

F-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012(1)	67.58p	63.84p	0.5432p
2013(2)	69.62p	63.83p	2.3839p
Accumulation Units			
2012(1)	112.50p	105.20p	0.8947p
2013(2)	117.80p	109.00p	4.0093p

* F-Class units launched on 17 August 2012.

(1) The above table shows the highest offer and lowest bid prices from 17 August 2012 to 31 December 2012.

(2) The above tables show the highest offer and lowest bid prices to 5 September 2013 and the net revenue per unit to 5 November 2013.

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.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units rose by 1.88% compared to a rise of 2.43% in the iBoxx Sterling Collateralized and Corporates Total Return Index (Source: Bloomberg).

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Market/Economic Review

The global economy has faced some headwinds over the review year. Initially, the European sovereign (government) debt crisis held centre stage as policymakers struggled to address concerns that several heavily indebted countries would be forced to leave the Euro. The emerging market economies were initially the driving force of global growth but there has been a slowdown in China as the authorities attempt to cool credit-fuelled spending. Governments in the G7 countries have to varying degrees implemented austerity programmes, while simultaneously leaving interest rates at historically low levels. In the US, UK and Japan this has been accompanied by further asset purchases and quantitative easing (QE) aimed at reviving growth.

As US economic data began to improve in the latter part of the review year, concerns that the US Federal Reserve (Fed) would scale back quantitative easing emerged in May 2013. These were subsequently vindicated as Fed Chairman Ben Bernanke announced in June that, should the economy continue to recover in line with forecasts, the pace of QE would be tapered during the second half of 2013, with the bond-buying programme on course to end by mid-2014. This sparked a slide in bond and equity markets that lasted into late June. Reassurance that US interest rate rises were not on the immediate horizon, coupled with a bout of some softer US economic data, helped bond markets recover in July, only to lose ground in August on fresh signs that the US employment market was strengthening, potentially paving the way for QE to be wound down. This volatility around expected interest rate movements is likely to continue.

Meanwhile, the eurozone economic backdrop improved as, led by Germany, the region finally emerged from recession. In the UK, there were also encouraging signs of growth, as supportive credit conditions boosted the housing market and evidence emerged of increased consumer spending. Despite the better economic data posted across developed markets, lingering concerns include the prolonged austerity programmes in the eurozone and the potential impact from a slowdown in the major emerging economies.

Manager's Investment Report continued

Trust Review

Early in the review year, we sought to broadly diversify exposure away from low-growth western economies, in particular the struggling eurozone, while adding exposure to other regions. For example, we increased exposure to East Japan Railway and Abu Dhabi National Energy (TAQA), while reducing French issuers such as bank Crédit Agricole. As investor sentiment improved, mainly induced by central bank stimulus measures, we took advantage by reducing longer-dated financial issues such as UBS. However, we remained mindful that eurozone tensions could easily increase again, and as a result, reinvested some of the proceeds into gilts and in economically resilient issuers, such as UK utility Affinity Water, and Danish energy company Dong Energy, offsetting the reduction in yield from holding corporate bonds by buying subordinated ('hybrid') bonds. Hybrid bonds have both bond and equity-like characteristics. For instance they may be able to defer coupons or they may be undated/perpetual bonds, but in return, investors receive a higher yield.

Markets continued to oscillate in 2013, generally dependent on central bank action. When we wanted to express a shorter-term more tactical risk-on (where risky assets such as government bonds perform well due to positive investor sentiment) or risk-off (where less risky assets such as government bonds perform well as they are perceived to be a safer environment) view, we used interest rate positioning to reflect this, with the rationale that if credit spreads (the difference between yields on corporate bond and government bonds) do well, interest rates usually rise.

As the review year progressed, we put cash to work across sectors with resilient earnings characteristics, favouring issuers with strong credit profiles, such as utilities RWE and GDF Suez. We adjusted the Trust's exposure to financials, taking profits on Skandinaviska Enskilda Banken (SEB) and Nordea in favour of UK and US banks including Lloyds, Royal Bank of Scotland and Wells Fargo. UK and US banks should benefit from improving growth in these regions.

Chinese risk was removed on concerns over growth prospects in the region, and emerging market exposure overall was reduced or switched into names with stronger profiles. Cash proceeds from the sale of some financials were invested in strong long-dated issuers, including GDF Suez, RWE and France Telecom. At the end of the review year the Trust retained its resilient profile reflecting its conservative style.

Outlook

Looking at the outlook for the UK economy, credit conditions are improving modestly and UK economic growth is expected to be greater and quicker than elsewhere in Europe for the remainder of this year and next. The Bank of England has affirmed its resolve to prevent interest rates from rising prematurely and potentially derailing any recovery, with the new Governor Mark Carney providing forward guidance on monetary policy to the markets.

US economic data has continued to stabilise, and the prospect of tapering this year now looks priced into the market. In the eurozone, despite recent evidence that rising export demand and improving domestic consumption are helping to drive Germany's economic outlook, we believe that the outlook remains more subdued as the underlying causes of the debt crisis have yet to be addressed, which makes prudent stock selection especially important in the region.

There are a number of potential risks looking ahead, not least US debt negotiations, Middle East volatility and European political uncertainty, but the market does not seem particularly vulnerable unless the situation markedly deteriorates. Should the economic backdrop improve in line with consensus forecasts, corporate bonds should continue to be supported in the medium term.

Legal & General Investment Management Limited
(Investment Adviser)
30 September 2013

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.

Minimum Investment Amounts

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

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

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

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.

Manager

Legal & General (Unit Trust Managers) Limited
Registered in England 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.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditors

PricewaterhouseCoopers LLP
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