

Legal & General Distribution Trust
Interim Manager's Report
for the period ended
14 April 2021
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust is to provide a combination of income and growth.

The Trust is actively managed and will have exposure to shares in companies, bonds (both corporate and government), cash, deposits and money market instruments (such as treasury bills). The assets in the Trust may represent all economic sectors and geographical areas. The Manager will aim to identify a combination of investments that are expected to produce income, together with some potential for growth.

The Trust will have exposure of between 20% and 40% to shares in companies and at least 60% of the value of the Trust to interest bearing assets such as bonds and money market instruments.

To obtain exposure to shares in companies, bonds, cash and money market instruments, the Manager may invest directly and/or in collective investment schemes including those which are managed or operated by the Manager or an associate of the Manager.

The Trust may only use derivatives for the purposes of Efficient Portfolio Management.

Manager's Investment Report

During the period under review, the price of the Trust's R-Class accumulation units rose by 11.26%.

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

Global equity markets delivered strong returns over the past six months. Having been reassured by central banks' unprecedented actions to cushion the COVID-19 blow in economic terms, investors entered the fourth quarter of 2020 with a degree of optimism. Key economic indicators soon offered vindication of the buoyant mood, with a strong return to growth in the fourth quarter leading to large gains in global equity markets. Having lagged global markets in the two quarters after the onset of the pandemic, UK equities made strong gains over the past six months. Success on vaccines, coupled with an eleventh-hour trade deal with the EU, resulted in a rally in the beaten-down value stocks and those focused on the domestic economy. The FTSE 250 Index, which is rich in domestically focused large- and mid-caps, strongly outperformed the more internationally facing FTSE 100 Index over the review period. Banks rose significantly amid the resurgence of cyclical sectors, while also enjoying the higher benchmark yields on offer, which helped boost net interest margins.

Benchmark government bond yields rose over the past six months as investors preferred riskier parts of the market amid expectations of economic growth. Gilt yields, both conventional and index linked, were slower to begin their rise than their US counterparts, only registering a meaningful rise since the start of the year as the UK's prospects began to improve. Having tightened in the closing quarter of last year, spreads on corporate debt remain compressed in the UK market.

Trust Review

The Trust delivered double digits positive returns over the review period, with the vast majority of the gains being driven by the income focussed UK equity holdings. Within our equity basket, large weightings in Financials, Consumer Discretionary and Industrials were the main sector contributors. Companies that benefit from the

Manager's Investment Report continued

economy reopening were strong risers and so Meggitt (aerospace), travel retailer SSP Group and easyJet were the highest stock contributors to the portfolio. The largest detractors were John Wood Group (oil services), insurer Phoenix Group, and not possessing the mining company Glencore. Elsewhere, the allocation to High Yield Credit via the Legal & General High Income Trust performed strongly over the review period acting as a further tailwind for the Trust. Our exposure in UK Government bonds was the only segment of the portfolio that marginally detracted against a backdrop of rising rates.

In terms of portfolio activity, there were no new stock positions initiated during the review period. IT company Micro Focus International was sold. There were significant additions made to the positions in defence supplier BAE Systems, consumer staples giant Unilever and John Wood Group. Reductions were made in several insurance companies, and certain stocks that had recovered strongly including SSP Group, easyJet and Next. Following its strong performance, the Trust trimmed the income bias basket within UK equities, recycling part of the capital to UK Government Bonds.

Outlook

We continue to see potential for a strong recovery from the deep global recession. This early stage is the most supportive time in the economic cycle for risk assets and is therefore the main driver for our positive medium-term view on risk assets, in particular equities, which we favour over credits.

Due to the year-on-year nature of inflation, we expect a pick-up in inflation over the second quarter as a result of the drop in consumer demand last spring. While we are also conscious that there could be a potential spike in inflation as a result of supply constraints in a rapid re-opening scenario, we're mindful that momentum in inflation expectations that is not accompanied by an uptick in realised measures may lead central banks to act to address the imbalance. Over the longer term, we will remain on the lookout for signs of sustained price pressure in 2022 and beyond, which could prompt earlier and larger rate hikes by central banks than currently anticipated.

Finally, a high level of uncertainty remains as to when dividends will be distributed, either due to end market uncertainty or regulatory restrictions, so companies are generally showing caution on commitments to any cash outflows. However, the situation is much improved since 6 months ago. The Trust's holdings in banks are well capitalised and the Bank of England looks set to remove restrictions on returning capital so these could prove to be a strong source of dividends over the next year.

Legal & General Investment Management Limited
(Investment Adviser)
6 May 2021

Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, the success of vaccine rollout programs, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited
March 2021

Authorised Status

Authorised Status

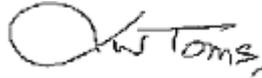
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
10 June 2021

Portfolio Statement

Portfolio Statement as at 14 April 2021

All investments are in investment grade securities, ordinary shares or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 October 2020.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	EQUITIES — 35.15% (30.92%)		
	UNITED KINGDOM		
	— 32.50% (29.66%)		
	Mining — 4.59% (4.11%)		
17,600	Anglo American	544,456	1.32
31,000	BHP Group	668,205	1.62
11,900	Rio Tinto	682,227	1.65
		1,894,888	4.59
	Aerospace & Defense		
	— 1.71% (1.36%)		
80,300	BAE Systems	410,173	0.99
61,700	Meggitt	294,679	0.72
		704,852	1.71
	General Industrials — 1.34% (1.12%)		
61,700	DS Smith	250,317	0.60
176,000	Melrose Industries	304,304	0.74
		554,621	1.34
	Support Services — 0.00% (0.59%)		
	Food Producers — 1.59% (1.18%)		
37,900	Tate & Lyle	288,570	0.70
8,930	Unilever	369,077	0.89
		657,647	1.59
	Household Goods & Home Construction — 0.84% (0.59%)		
184,000	Taylor Wimpey	344,816	0.84
	Tobacco — 2.29% (2.12%)		
15,600	British American Tobacco	433,212	1.05
33,000	Imperial Brands	511,830	1.24
		945,042	2.29
	Pharmaceuticals & Biotechnology		
	— 1.93% (2.30%)		
5,810	AstraZeneca	421,283	1.02
28,800	GlaxoSmithKline	373,536	0.91
		794,819	1.93
	Food & Drug Retailers		
	— 1.16% (1.47%)		
118,000	Tesco	266,621	0.65
118,000	Wm Morrison Supermarkets	212,400	0.51
		479,021	1.16
	General Retailers — 1.74% (1.55%)		
203,000	Dixons Carphone	283,794	0.69

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	General Retailers — (cont.)		
5,420	Next	434,684	1.05
		718,478	1.74
	Travel & Leisure — 1.52% (1.16%)		
15,200	easyJet	144,735	0.35
62,100	SSP Group	195,056	0.47
15,748	SSP Group Rights	20,480	0.05
7,620	Whitbread	266,395	0.65
		626,666	1.52
	Fixed Line Telecommunications — 0.00% (0.77%)		
	Mobile Telecommunications — 0.00% (0.69%)		
	Gas, Water & Multi-utilities — 0.81% (0.79%)		
37,600	National Grid	334,866	0.81
	Banks — 3.65% (2.51%)		
224,000	Barclays	417,536	1.01
89,100	HSBC	380,591	0.92
898,000	Lloyds Banking Group	392,022	0.95
161,000	Natwest Group	317,653	0.77
		1,507,802	3.65
	Nonlife Insurance — 1.07% (1.50%)		
85,600	Direct Line Insurance	259,796	0.63
26,700	RSA Insurance Group	182,254	0.44
		442,050	1.07
	Life Insurance — 1.98% (2.28%)		
55,600	Aviva	226,014	0.55
40,600	Phoenix Group	301,008	0.73
18,700	Prudential	291,907	0.70
		818,929	1.98
	Financial Services — 0.00% (1.44%)		
	Software & Computer Services — 0.00% (0.16%)		
	Oil, Gas and Coal — 2.63% (1.97%)		
141,000	BP	422,859	1.02
79,400	John Wood Group	212,633	0.52
14,300	Royal Dutch Shell 'A'	200,744	0.49
18,700	Royal Dutch Shell 'B'	249,495	0.60
		1,085,731	2.63
	Telecommunications Service Providers — 1.89% (0.00%)		
316,000	BT Group	470,998	1.14
231,000	Vodafone Group	309,309	0.75
		780,307	1.89

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Industrial Support Services — 0.68% (0.00%)		
52,000	PageGroup	280,540	0.68
	Investment Banking and Brokerage Services — 1.08% (0.00%)		
81,900	Brewin Dolphin	263,718	0.64
83,800	M&G	182,684	0.44
		446,402	1.08
	IRELAND — 0.44% (0.00%) Industrial Support Services — 0.44% (0.00%)		
2,850	DCC	179,607	0.44
	CHANNEL ISLANDS — 1.41% (0.66%) Media — 0.86% (0.66%)		
37,500	WPP	357,900	0.86
	Investment Banking and Brokerage Services — 0.55% (0.00%)		
93,000	TP ICAP Group	226,269	0.55
	ISLE OF MAN — 0.80% (0.60%) Travel & Leisure — 0.80% (0.60%)		
20,700	Entain	331,200	0.80
	COLLECTIVE INVESTMENT SCHEMES — 54.04% (59.48%)		
4,582,108	Legal & General Fixed Interest Trust 'R' Inc ¹	3,518,142	8.52
2,958,149	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc ¹	1,691,174	4.09
11,719,246	Legal & General High Income Trust 'I' Inc ¹	5,565,470	13.48
5,551,092	Legal & General Managed Monthly Income Trust 'R' Inc ¹	3,890,760	9.42
7,165,606	Legal & General Short Dated Sterling Corporate Bond Index Fund 'I' Inc ¹	3,713,217	8.99
3,851,663	Legal & General Sterling Income Fund 'I' Inc ¹	3,936,399	9.54
		22,315,162	54.04
	GOVERNMENT BONDS — 9.85% (8.59%)		
GBP1,930,000	United Kingdom Gilt 1.75% 07/09/2022	1,976,769	4.78
GBP1,764,923	United Kingdom Gilt 5% 07/03/2025	2,092,480	5.07
		4,069,249	9.85

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	FUTURES CONTRACTS — 0.02% (-0.01%)		
4	FTSE 100 Index Future Expiry June 2021	8,198	0.02
Portfolio of investments²		40,905,062	99.06
Net other assets		387,452	0.94
Total net assets		£41,292,514	100.00%

¹ These unlisted deposits have been valued at the Manager's best assessment of their fair and reasonable value.

² All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the period: £2,836,832.

Total sales for the period: £4,132,222.

Financial Statements

Statement of Total Return for the period ended 14 April 2021

	14/04/21		14/04/20	
	£	£	£	£
Income				
Net capital gains/ (losses)		3,894,823		(4,856,375)
Revenue	667,564		758,319	
Expenses	(193,900)		(222,487)	
Interest payable and similar charges	—		—	
Net revenue before taxation	<u>473,664</u>		<u>535,832</u>	
Taxation	(2,551)		(1,670)	
Net revenue after taxation for the period		<u>471,113</u>		<u>534,162</u>
Total return before distributions		4,365,936		(4,322,213)
Distributions		<u>(570,226)</u>		<u>(645,411)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£3,795,710</u>		<u>£(4,967,624)</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 14 April 2021

	14/04/21		14/04/20	
	£	£	£	£
Opening net assets attributable to Unitholders		38,798,411		48,559,048
Amounts received on issue of units	677,555		646,981	
Amounts paid on cancellation of units	<u>(2,421,114)</u>		<u>(4,263,683)</u>	
Change in net assets attributable to Unitholders from investment activities		<u>(1,743,559)</u>		<u>(3,616,702)</u>
Retained distributions on accumulation units		441,782		471,843
Unclaimed distributions		170		—
Closing net assets attributable to Unitholders		<u>£41,292,514</u>		<u>£40,446,565</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 14 April 2021

	14/04/21 £	14/10/20 £
ASSETS		
Fixed assets:		
Investments	40,905,062	38,407,160
Current assets:		
Debtors	262,552	133,110
Cash and bank balances	697,696	803,655
Total assets	41,865,310	39,343,925
LIABILITIES		
Investment liabilities	–	(5,199)
Creditors:		
Bank overdrafts	(281,230)	(327,641)
Distributions payable	(118,788)	(118,115)
Other creditors	(172,778)	(94,559)
Total liabilities	(572,796)	(545,514)
Net assets attributable to Unitholders	£41,292,514	£38,798,411

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 Association in May 2014 (2014 SORP).

2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements, with the exception of the Trust's Distribution Policy. The updated policy is shown below.

(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. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Trust size, cash flows through the Trust and Trust liquidity.

(b) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

50% of the fund management fee is charged to capital and 50% is charged to revenue for the purpose of calculating the distribution. In addition, rebates received from underlying collective investment schemes that are treated as capital are transferred to income for distribution purposes. These policies increase the amount of the distribution paid, but reduces the capital growth potential of the Trust. Marginal tax relief is not accounted for in determining the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Trust.

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	3,980,429	7,136,843	55.77
Accumulation Units	12,456,873	12,556,942	99.20
F-Class			
Distribution Units	69,378	120,759	57.45
Accumulation Units	334,649	321,454	104.10
I-Class			
Distribution Units	4,673,152	8,045,580	58.08
Accumulation Units	19,778,033	18,562,489	106.55

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.

Ongoing Charges Figures

	14 Apr 21	14 Oct 20
R-Class	1.41%	1.41%
F-Class	0.91%	0.91%
I-Class	0.66%	0.66%

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 fund and is calculated based on the last period's figures.

Trust Information continued

Distribution Information

R-Class

The distribution payable on 14 June 2021 is 0.7044p per unit for distribution units and 1.2373p per unit for accumulation units.

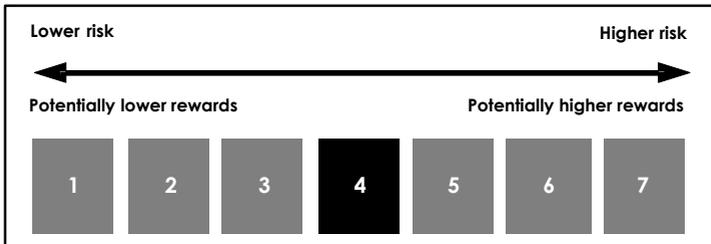
F-Class

The distribution payable on 14 June 2021 is 0.7954p per unit for distribution units and 1.4220p per unit for accumulation units.

I-Class

The distribution payable on 14 June 2021 is 0.8396p per unit for distribution units and 1.5183p per unit for accumulation units.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- 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.
- Even a trust in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	28 November 2003
Period end dates for distributions:	14 April, 14 October
Distribution dates:	14 June, 14 December
Minimum initial lump sum investment:	R-Class £20 I-Class £1,000,000
Minimum monthly contributions:	R-Class £20 I-Class N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.41% F-Class* Annual 0.91% I-Class Annual 0.66%
Initial charge:	Nil for all existing unit classes

* Class F units are closed to new subscriptions.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/funds/prices-and-reports/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.

Prospectus and Manager's 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.

General Information continued

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.

Significant Change

Changes to Pricing Methodology

We have recently reviewed the way we calculate prices for your funds. Following the review, we have decided to adopt a standardised way of pricing funds across most of our Unit Trust fund range.

Previously we used four different methods for calculating fund prices. With effect from 1 December 2020, we have adopted a 'single swing pricing' method.

The move to a standardised pricing method will:

1. Make our pricing simpler;
2. Make it easier for you to compare prices across our funds; and
3. Make it easier for you to compare our funds to funds offered by our competitors.

This new pricing method means that on each day all our customers receive the same price regardless of whether they are buying or selling their investments.

If you'd like to know more about this change and what it means for you, then you can visit our website at legalandgeneral.com/swing-pricing. If you have any questions about the change or require further information, please contact us Monday to Friday between 9.00am and 5:00pm on 0370 050 0955 or email us at investments@landg.com.

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

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

A. Clare*
E. Cowhey*
A. J. C. Craven
S. Hynes
H. Solomon
L. W. Toms
A. R. Toutouchi*

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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