

Legal And General Managed Fund

INVESTMENT POLICY AND OBJECTIVES

The objective of the Fund is to deliver good long-term relative performance by being fully invested in a diversified portfolio of UK commercial property. Its objective is to exceed the median return for similar funds in the CAPS Survey of pooled property funds.

Approved defined benefit and defined contribution occupational pension schemes

Fund details	
Type of fund	Exempt approved
Residence	United Kingdom
Launch date	01-Jun-71
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31-Mar
NAV (GBPm)	3154.8

Source: Legal & General Investment Management Limited

Management/professional advisors	
Manager	Legal & General Investment Management Limited
Property advisor	-
Investment Advisor	Legal & General Investment Management Limited
Fund Manager	Mark Russell
Corporate trustee	Not applicable
Auditors	PwC

Source: Legal & General Investment Management Limited

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index*		
	Legal And General Managed Fund	Managed funds	All balanced funds	All funds
3 months	-	2.2	2.2	1.8
Year-to-date	-	2.2	2.2	1.8
12 months	-	2.5	2.5	0.7
3 years+	-	1.5	2.4	1.1
5 years+	-	3.1	4.1	3.2
10 years+	-	5.8	6.4	5.9

Source: Legal & General Investment Management Limited

* MSCI/AREF UK Quarterly Property Fund Index

Note: Weighted average returns + Annualised

Property investment restrictions	
Maximum development exposure	1%

Maximum speculative development exposure	*
Maximum lot-size holding as a standing investment	1%
Maximum lot-size holding permitted at purchase	7.5%
Maximum exposure to limited partnerships	15%
Maximum exposure to joint ventures	15%
Maximum exposure to closed and open-ended property unit trusts	15%

Note: *None specified

Source: Legal & General Investment Management Limited

Portfolio distribution %

	Legal And General	MSCI/AREF UK Quarterly Property Fund Index**		
		Managed Funds	All balanced funds	All funds
Standard retail – South East	1.9	3.1	5.2	4.9
Standard retail – Rest of UK	4.1	3.2	2.4	3.3
Shopping centres	2.1	2.4	1.2	3.5
Retail warehouses	9.9	9.5	10.5	9.0
All UK retail	18.0	18.2	19.3	20.6
City offices	0.0	2.8	3.6	3.4
West End offices	12.8	10.7	8.5	7.6
Rest of South East offices	10.9	8.7	10.2	7.4
Rest of UK offices	6.4	4.7	5.6	5.1
All UK offices	30.1	26.9	27.9	23.5
South East industrial	28.1	25.2	22.7	18.5
Rest of UK industrial	4.0	11.2	11.8	9.5
All UK industrial	32.1	36.4	34.5	28.0
Other UK properties	13.3	9.0	10.7	21.9
Cash***	6.5	9.5	7.7	5.9
Overall	100.0	100.0	100.0	100.0

Note: + Includes the Fund's share of any properties held jointly or indirectly Sources: * Legal & General Investment Management Limited

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	69	2,462.7	82.1
Joint and indirect holdings	4	538.1	17.9
Listed investments	0	0	0.0
Total	73	3,000.9	100.0

Source: Legal & General Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
WEST CROSS IND PARK	BRENTFORD	Industrial	0.0	*
STRAND ISLAND	LONDON	Office	0.0	*
WOODSIDE INDUSTRIAL ESTATE	DUNSTABLE	Industrial Other	0.0	*

BASINGSTOKE	THAMES VALLEY AND THE SOUTH	Industrial Other	0.0	*
1 PICCADILLY GARDENS & THE PAVILION	MANCHESTER	Office	0.0	*
APEX PLAZA	READING	Office	0.0	*
76-88 WARDOUR STREET	LONDON	Office	0.0	*
CAMBRIDGE SCIENCE PARK	CAMBRIDGE	Office	0.0	*
YOTEL LONDON CLERKENWELL	LONDON	Hotel	0.0	*
GRENFELL ISLAND	MAIDENHEAD	Office	0.0	*

10 largest investments as % of portfolio

Source: Legal & General Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	*	1.8	0.1
2.5 - 5	*	4.1	0.1
5-10	11	89.5	3.0
10-25	21	373.6	12.4
25 - 50	23	843.3	28.1
50 - 100	8	603.6	20.1
100 - 150	3	372.8	12.4
Over 150	*	174.0	5.8
Total	69	2462.7	82.1
Average lot size		35.7	

Source: Legal & General Investment Management Limited

* Fund cannot disclose this information due to commercial sensitivity

Property Yield*		Voids as % of ERV*	
Net initial yield	4.36%	Investments	11.96%
Nominal equivalent yield	5.58%	Developments	-
True equivalent yield	5.99%	Total	-
Net reversionary yield	4.39%		

Source: Legal & General Investment Management Limited

Source: Legal & General Investment Management Limited

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	7.6	9.0
Retail warehousing	21.3	16.7
Shopping centres	6.9	6.4
Central London offices	7.4	8.2
Other offices	16.7	21.1
Industrial	25.2	25.3
Other	14.8	13.3
Overall	100.0	100.0

Source: Legal & General Investment Management Limited

Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free , % Rent Passing	Development vacancy %	Investment vacancy %	Over rented,% Rent Passing	Reversionary potential %	Reversionary potential Net	Market Value % Rent
Standard retail	8.8	0.0	0.0	9.1	-12.9	55.7	42.8	153.7
Retail warehouse	24.6	1.3	0.0	7.9	-13.0	2.1	-10.9	101.9
Shopping centre	8.0	0.0	0.0	13.4	-14.4	20.2	5.8	119.9
Central London	8.6	20.6	0.0	12.9	-4.8	38.7	33.9	143.3
Other offices	19.3	6.4	21.6	34.2	-3.3	65.1	61.8	164.8
Industrial	29.1	4.7	0.0	18.0	-4.0	30.7	26.7	130.6
Other	17.1	0.6	17.1	2.1	-5.9	17.9	11.9	116.7
Overall	115.6	4.2	6.1	14.8	-7.5	30.2	22.7	130.1

*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source: Legal & General Investment Management Limited

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Source: Legal & General Investment Management Limited

The unexpired term of leases

Years	% of rent passing
20 years or greater	11.6
15 years or greater, but less than 20	3.4
10 years or greater, but less than 15	7.7
5 years or greater, but less than 10	24.6
Less than 5 years	52.6

Source: Legal & General Investment Management Limited

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
CSG	Office	INDIRECT RE - LIMITED	JPUT	0.3	161.3	5.4
HAMMERSMITH	Office	INDIRECT RE - LIMITED	LP	0.5	97.5	3.2
INDUSTRIAL	Industrial	INDIRECT RE - LIMITED	PUT	0.1	287.8	9.6
PROPERTY LEISURE FUND LIMITED	Leisure	INDIRECT RE - LIMITED	LP	0.1	31.8	1.1
-	-	-	-	-	-	-

Source: Legal & General Investment Management Limited

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0

0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source: Legal & General Investment Management Limited

Development exposure*

	Capital value of developments			complete
	Not yet started	In progress+	All developments	
GBPm	0.0	0.0	0.0	0.0
% of all directly held properties	0.0	0.0	0.0	0.0

Note: * Includes joint ventures in which the Fund has an interest of 50% or more

+ Including schemes to which the fund is contractually committed

Source: Legal & General Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, as at the end of each month
Valuers	CB Richard Ellis
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source: Legal & General Investment Management Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	
Investment purposes	NIL*
Liquidity purposes	NIL*
Cash holdings (maximum)	25%
Cash holdings (minimum)	5%

Note: * Gearing is permitted for participation in collective investment schemes.

Source: Legal & General Investment Management Limited

The contribution of major tenants to rental income

Tenant	%
HUTCHISON 3G UK LIMITED	3.4
TJX UK	3.1
TESCO STORES LIMITED	2.8
EDDIE STOBART LIMITED	2.8
THE BANK OF NEW YORK MELLON	2.5
INTO NEWCASTLE UNIVERSITY LLP	2.4
CARE UK COMMUNITY PARTNERSHIPS (SUFFOLK)	2.2
NAPP PHARMACEUTICAL HOLDINGS LIMITED	2.1
MATALAN RETAIL LIMITED	2.0
DHL SUPPLY CHAIN LIMITED	1.6
Three largest tenants' contribution to rental income	9.3
Five largest tenants' contribution to rental income	14.5
Ten largest tenants' contribution to rental income	24.8

Source: Legal & General Investment Management Limited

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	2462.7	0.0	538.1	0.0	3000.9
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	-53.2	0.0	-53.2
Cash	207.2	0.0	0.0	0.0	207.2
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	2669.9	0.0	484.9	0.0	3154.8
Gearing (%)					
Net debt (cash)/properties	-8.4	-	9.9	-	-5.1
Net debt (cash)/equity	-7.8	-	11.0	-	-4.9

Source: Legal & General Investment Management Limited

Quarterly data per unit						
As at	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Bid (GBP)	53.57	52.86	51.93	51.96	53.11	54.21
Offer (GBP)	56.98	56.21	55.22	55.25	56.47	57.69
Mid (GBP)	55.27	54.53	53.57	53.60	54.79	55.95
Bid/offer spread	5.99%	5.96%	5.95%	5.96%	5.94%	6.03%
Net asset value (GBP)	50.91	49.19	52.52	52.54	53.71	54.84
Quarterly distribution (GBP)	n/a	n/a	n/a	n/a	n/a	n/a
Yield	n/a	n/a	n/a	n/a	n/a	n/a

Source: Legal & General Investment Management Limited

Unit pricing

The unit price is calculated on the last business day of each month. Income is not included in the unit price. Some of the vehicles through which the Fund holds directly-held investments have fixed-rate debt. The market value of this debt is not

Distributions

Distributions are made monthly, normally on the 20th of each month or the following working day. Ex-distribution dates are the penultimate working day of each month, i.e. the day before pricing. Distributions are

Minimum investment/disinvestment

The minimum initial investment is GBP250,000, although the manager, at their discretion, can allow investors to invest as little as GBP25,000 where it is satisfied that the investor has received financial advice or the investment

Creation, transfer and realisation of units

The fund is open to subscriptions on a monthly basis, with applications to be received at least three business days before subscription day, which is the last working day of the month.

As from March 2009, the Manager has the discretion to defer redemptions if it deems it in the interest of continuing unitholders to do so.

Redeeming unitholders may not withdraw their realisation notice in respect of units which the Manager has notified the unitholder that it has determined can be redeemed or any units which are within the last 3 months of the 24-month redemption window.

The manager will attempt, where possible, the matching of buying and selling orders. Such transfers are effective

Taxation

The following is a summary of current law and practice and is subject to change. The information should not be

Since it is registered in Jersey, the fund is not subject to UK capital gains tax. Those investors who are subject to

While distributions of income are made net of UK Income Tax, non-taxpayers are entitled to reclaim any tax

No stamp duty is payable on the transfer of existing units.

The trust instrument empowers the manager and investment advisor to make an annual charge totalling not more than 2% of the net asset value of the fund (including accrued income). However, the total charge is

Source: Legal & General Investment Management Limited

Liquidity						
Period	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021
Issues and redemptions						
Units in issue as at start of period	61,384,567	63,567,481	67,666,299	66,043,863	63,174,181	59,865,523
Units issued during period	2182914	4,098,818	764,598	0	0	0
Units redeemed during period	-	-	-2,387,034	-2869682.7	-3308658.03	-1,490,276
Units in issue at end of period	63,567,481	67,666,299	66,043,863	63,174,181	59,865,523	58,375,247
Unit transfers						

Matched bargains	-	-	-	-	-	-	-
Matched bargains %*	-	-	-	-	-	-	-

* as % of units in issue at the end of the period

Source: Legal & General Investment Management Limited