

Managed Trust

as at 31 March 2007

Investment objective

The objective of the trust is to achieve capital growth over the medium to longer term.

Risk category

The trust is categorised as balanced. This means the fund manager is seeking to achieve a balance between the need to preserve the original investment and the need for capital growth.

This trust is more appropriate for those people who can remain invested for at least five years, and who can tolerate some swings in performance.

Fund information

Launch date	23 April 1990	Fund size	£5.68m
Fund manager	Goldman Sachs Asset Management	Switching	Up to 12 free per year
Fund sector	Balanced Managed	Commissions	3% Initial, 0.5% Trail
Minimum investment	£500 or £25 a month	ISA qualifying / PEP transfer	Yes / Available
Initial charge / AMC	5.25% / 0.18%†	Yield	1.56% NET

† Charge is equivalent to a charge of 0.5% for funds managed externally to Lincoln. Other appropriate expenses is 1.97% which includes annual charges of the underlying internally managed holdings.

Performance figures

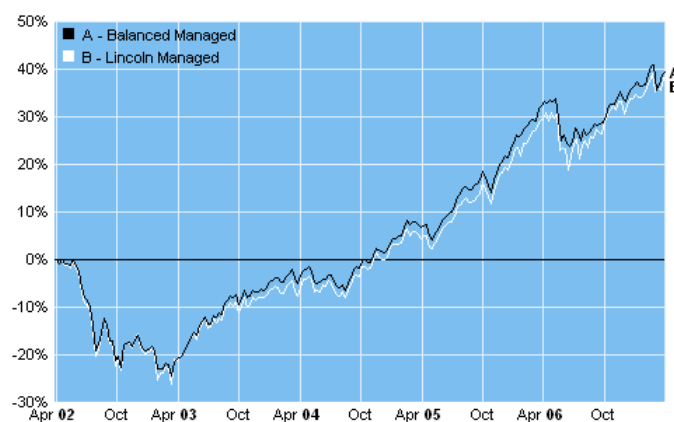
	Discrete years performance % for one year period ending:					Average annual % growth:		
	31 Mar 07	31 Mar 06	31 Mar 05	31 Mar 04	31 Mar 03	3 yrs	5 yrs	10 yrs
Managed Trust	6.4	24.1	10.8	22.0	-22.6	13.5	6.7	4.8

Past performance should not be taken as a guide to the future.

Top 10 holdings

Company (holding)	% holding
Lincoln Growth Trust	17.5
Gartmore UK	14.8
Lincoln European Trust	12.2
Lincoln Income Trust	10.2
Jupiter UK Growth	9.6
Lincoln North.America.Trust	8.1
Lincoln Corporate.Bond.Trust	5.6
Lincoln Far East Trust	4.2
Lincoln Japan Trust	4.2
Baring Global Bond Trust	3.2
TOTAL	89.6

Performance vs peer group

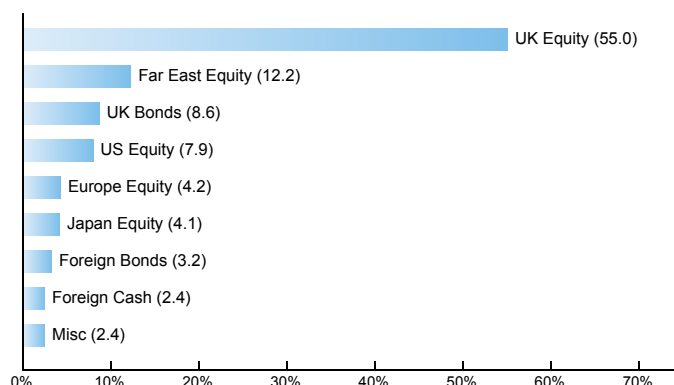


28/03/2002 - 30/03/2007 © Financial Express 2007

Largest portfolio movements *

Company (holding)	% change
Lincoln European Trust	1.9
Lincoln Far East Trust	0.9
Lincoln Growth Trust	0.9
Baring Global Trust	0.5
Gartmore UK	0.4
Lincoln North America Trust	0.3
Jupiter UK Growth	0.3
Lincoln Japan Trust	-0.5
Lincoln Corporate Bond Trust	-0.8
Lincoln Income Trust	-1.1

Sector breakdown



Source (performance figures): Financial Express as at the end Mar 2007, bid - bid, net income reinvested. You may not get back your original investment. Unit values and the income from them can fall as well as rise and are not guaranteed. Where applicable exchange rates may also cause the value of underlying investments to go down or up. Tax benefits of investments depend on your individual circumstances and may be changed without advance warning.

* The largest portfolio movements table shows the main movements in stocks held, as a percentage of the portfolio. The largest increases and decreases may be due to two main factors. Firstly, a significant movement in the shares price and secondly, the fund manager increasing or decreasing his holding of a specific stock.

About the fund manager

Goldman Sachs was founded in 1869 and has since established a reputation as a pre-eminent global investment bank and securities firm. The Asset Management division was founded in 1988 and has global assets under management in excess of £297 billion (as at end of June 2006). Goldman Sachs Asset Management (GSAM) is headquartered in New York and has a further 14 offices worldwide, including London. As of June 2006, GSAM employed more than 340 investment professionals. Research is undertaken and portfolios managed in the locations where the securities are traded.

About the fund manager's investment process

Goldman Sachs Asset Management is renowned for working through teams, and this model guides their entire investment process. Their investment professionals collaborate extensively among themselves in assembling portfolios. Their views cross-fertilise and challenge each other, strategies are compared and weighed and, Goldman believes, more effective asset management is achieved.

At the heart of Goldman's is a strong focus on fundamental quantitative research conducted from a global perspective. Analysts, grouped into sector teams, consult continually about trends in specific securities, entire industries and financial markets, and economic and political trends. The securities evaluation and selection processes through which they mould their insights are rigorous and systematic and give Goldman's an edge in spotting investment opportunities.

Risk management is treated as an integral part of the investment process, not an afterthought – a practice borne out of their long tradition as a pioneer in the field of risk modelling. Today Goldman Sachs Asset Management is an industry leader in controlling investment risk while at the same time capitalising on it. Their chief tools are their proprietary suite of web-based portfolio management models and the work of their independent Risk Performance Analytics Group, which acts as their risk management 'eyes and ears'. Through these tools, risk data is gathered, monitored, and analysed, then submitted to their portfolio managers so they can better understand and manage their 'risk budget'. Throughout this entire process Goldman Sachs Asset Management strive for risk oversight that is reliable, explainable and therefore repeatable.

Managed Trust commentary *

as at 31 March 2007

During the first quarter of 2007, the Trust produced a return of 2.84%, compared to an IMA Managed Fund Sector Average of 2.11%. The managers deploy a quantitative asset allocation strategy to invest in a mix of global equities, corporate bonds and cash, primarily through specialist Lincoln funds holding the appropriate asset classes. Overweight or underweight positions versus peer group funds may be adopted for each asset class and also geographically, thereby impacting fund performance relative to peer funds.

During the first few weeks of 2007, world equity markets maintained the bullish phase that had developed during the previous quarter, with shares outperforming corporate bonds. The Trust began the New Year substantially overweight in UK equities, which had aided performance relative to comparable funds. Sterling interest rates continued to move higher in the first quarter, with a 0.25% base rate increase in January following a similar rise in November. The asset allocation strategy signalled

a reduction in equity and corporate bond exposure and an increase in the Trust's cash position. This action mitigated the impact upon the Trust of a global equity sell-off in late February and placed the portfolio relatively close to peer group weightings at the end of the quarter.

Optimism remains widespread about the future course of global equity markets, tempered by concerns about geopolitical issues and economic growth prospects. The US corporate sector in general is widely believed to be in fair shape, with good liquidity and strong international competitiveness, although some worries persist about sub-prime lending and the broader economic outlook. European market prospects are, on balance, widely assessed as favourable, with expectations of further mergers and acquisitions activity. The Japanese stockmarket is also seen as presenting opportunities as the economy emerges tentatively from the deflation of recent years. A rising Bank of England base rate enhances the attraction of cash deposits

* The commentary has been provided by the fund manager in the course of its day to day activities and the opinions stated are those of the fund manager and should not be treated as advice or recommendations to carry out transactions in securities regulated under the Financial Services and Markets Act, 2000.

About Lincoln

Lincoln Financial Group is committed to helping customers look to the future and achieve financial security through its range of life, pension and investment products. Today Lincoln manages assets of £5.2 billion* and approximately 659,000 policies for over 453,000 customers.

Lincoln can trace its UK roots back to June 1940 and serves the needs of customers nationwide through independent intermediaries and in the case of our pension products directly to the customer. Lincoln is dedicated to building excellent customer service by offering the highest levels of customer care and information as well as a comprehensive range of competitive products.

We are part of Lincoln National Corporation which is listed as LNC on the New York Stock Exchange. Based in Philadelphia in the USA, Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial strength and security**. Total assets of over £167 billion* are currently under management.

*Figures correct as at 30 June 2006.

** Credit ratings of: A+ (Standard & Poor's); A (AM Best); A+ (Fitch).

Figures as at 14/08/06. All ratings have a "stable" or creditwatch positive outlook as defined by the respective agencies.

For more information

A copy of the Simplified Prospectus (or full Prospectus) may be obtained from Lincoln on request.

If you are an IFA, contact us on : -

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If you are a customer, contact us on : -

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