

Legal & General Asian Income Trust
Interim Manager's Report
for the period ended
10 March 2018
(Unaudited)

**EVERY
DAY
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Manager's Investment Report

Investment Objective and Policy

The investment objective is to generate income with some potential for capital growth through exposure mainly to Asian securities.

The Trust will invest mainly in securities across all economic sectors which are registered and quoted in the countries included within the FTSE All World Asia Pacific (excluding Japan) Index, the Indian sub-continent and securities quoted on other stock exchanges where the underlying assets of those securities reflect investments in the economies of the countries listed above.

Manager's Investment Report

During the six-month period under review, the Trust's R-Class accumulation units rose by 0.05%. This compares to a rise in the FTSE All World Asia Pacific (excluding Japan) Index of 4.08%. (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

Globally, equity markets have made further gains over the last six months, reflecting a steady improvement in global economic indicators, while corporate earnings growth has exceeded expectations. Investors have favoured technology stocks in anticipation of an upturn in the semiconductor industry, while earnings announcements from the major technology companies, particularly in the US, have also been encouraging. Mining stocks have performed well as commodity markets rallied, while energy stocks also outperformed as the oil price climbed to a three-year high above \$70/barrel in January. In contrast, utilities, real state and telecoms sectors, that are more sensitive to bond markets, have underperformed.

Asia Pacific equities produced solid returns over the period, albeit the unease over the likely pace of US interest rate rises weighed on sentiment towards higher risk markets, limiting the region's outperformance relative to wider global equities. Better-than-expected Chinese economic growth and broad confidence in the sustainability of the global economic recovery provided a supportive backdrop to Asia Pacific equities. Japanese equities performed particularly strongly, cheered by encouraging corporate trading updates and signs that the strong jobs market is driving consumer activity. However, Australian and Indian stocks produced more limited gains, reflecting some more muted economic growth forecasts.

Trust Review

The Trust delivered a minor positive return over the review period. At a country level, Australian holdings were a major hindrance to performance for the most part but this was partially reversed in February. Our underweight allocation to China also held back performance in the latter months of the period. Fletcher Building subtracted value over the six months under review after announcing a trading halt, pending finalisation of a review of material loss-making projects in its Buildings and Interiors construction division. Fletcher Building announced a trading halt pending finalisation of review of material loss-making projects in its Buildings and Interiors construction division. The company advised these losses have triggered a breach of one or more of its debt covenants.

Manager's Investment Report continued

Qantas Airways was another leading individual detractor until the turn of the year when the company reported record half-year results with strong unit performance, passenger growth and better cost performance. Operating cashflows also rose and we continue to expect that Qantas Airways management will focus on returning capital to shareholders via dividends and share buybacks.

During the period, we introduced a new position in Indian listed NTPC, one of Asia's largest power generation utility companies. The company's regulated equity should grow in the high double digits over the next few years as it commissions a number of plants that faced delays in construction. There are good long term growth prospects arising from India's power consumption per capita moving closer to the global average and benefits from structural reforms. The completion of the Chhabra thermal power plant acquisition could also be a positive catalyst for earnings, in the form of increased commercialisation. In terms of sells, we took advantage of recent share price strength to exit our holding of insurance name AMP, where we no longer have conviction in the investment case.

Outlook

Looking ahead, we believe the region remains well positioned to capture any pick-up in global growth as China's "One Belt, One Road" will continue to support intra-Asia growth and integration. Our position in coal producer, China Shenhua, looks well positioned to take advantage of this opportunity despite the more general concerns over demand for Chinese coal prices. Overall, we still see plenty of attractive prospects in Asian equities. Companies such as Singapore Tech Engineering are shifting towards greater growth opportunities, with a focus on solutions over products. We remain positive on outlook for continued earnings recovery in the region and look forward to a return of focus on valuations over unpredictable growth.

Legal & General Investment Management Limited

(Investment Adviser)

4 April 2018

Authorised Status

Authorised Status

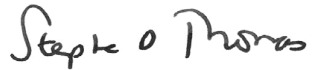
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
27 April 2018

Portfolio Statement

Portfolio Statement as at 10 March 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 10 September 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — 2.11% (2.13%)		
227,894	Rio Tinto	8,403,591	2.11
	NORTH AMERICA — 3.57% (4.33%)		
	United States — 1.04% (1.15%)		
3,087,073	Heilan Home (P Note)	4,133,142	1.04
	Bermuda — 0.63% (0.63%)		
6,586,000	Li & Fung	2,534,299	0.63
	Cayman Islands — 1.90% (2.55%)		
3,541,467	MGM China	7,581,780	1.90
	ASIA — 60.20% (56.88%)		
	China — 11.68% (10.09%)		
3,208,000	Anhui Expressway 'H'	1,811,698	0.45
23,855,339	Bank of China 'H'	9,333,649	2.34
19,396,658	China Construction Bank 'H'	14,659,219	3.67
2,857,000	China Shenhua Energy 'H'	5,694,610	1.43
3,124,000	Jiangsu Expressway 'H'	3,234,476	0.81
12,386,000	PetroChina 'H'	6,114,837	1.53
3,203,200	Red Star Macalline Group 'H'	2,745,995	0.69
4,441,500	Sinopec Engineering 'H'	3,024,726	0.76
		46,619,210	11.68
	Hong Kong — 10.88% (10.22%)		
1,578,500	China Mobile	10,509,473	2.63
94,400	China Mobile ADR	3,140,863	0.79
6,808,000	CNOOC	7,073,884	1.77
1,427,000	Hopewell	4,088,703	1.03
9,458,000	SJM	6,563,223	1.65
417,000	Sun Hung Kai Properties	4,994,716	1.25
1,871,800	Swire Properties	4,724,075	1.18
981,200	Television Broadcasts	2,326,969	0.58
		43,421,906	10.88
	India — 5.26% (3.80%)		
2,104,596	Bharti Infratel	7,770,143	1.95
2,605,123	Coal India	8,769,344	2.20
2,439,308	NTPC	4,456,917	1.11
		20,996,404	5.26
	Indonesia — 1.18% (1.53%)		
21,729,200	Telekomunikasi Indonesia Persero	4,720,157	1.18
	Malaysia — 0.69% (0.53%)		
4,612,092	SP Setia	2,761,312	0.69
	Philippines — 0.86% (0.65%)		
161,200	PLDT	3,445,904	0.86

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Singapore — 11.48% (11.86%)			
5,306,600	CapitaLand Mall Trust	5,854,395	1.47
750,314	DBS Group	11,584,636	2.90
6,397,753	ESR-REIT	2,001,575	0.50
1,464,968	ESR-REIT Rights	24,122	0.01
1,261,300	Keppel	5,351,401	1.34
901,954	Singapore Airlines	5,425,810	1.36
3,169,100	Singapore Technologies Engineering	5,879,255	1.47
629,963	United Overseas Bank	9,688,417	2.43
		45,809,611	11.48
South Korea — 5.98% (5.90%)			
79,464	Coway	4,673,970	1.17
54,961	Hyundai Motor (Preference Shares)	3,578,303	0.90
110,138	KB Financial	4,646,415	1.16
228,199	KT ADR	2,218,361	0.56
54,194	KT	1,014,909	0.25
814,731	Macquarie Korea Infrastructure Fund	4,687,487	1.18
176,900	SK Telecom ADR	3,050,375	0.76
		23,869,820	5.98
Taiwan — 8.98% (8.63%)			
2,176,109	Chicony Electronics	3,959,737	0.99
4,938,281	Far Eastern New Century	3,121,289	0.78
783,579	MediaTek	6,007,069	1.51
2,441,020	Quanta Computer	3,573,915	0.90
4,604,401	Taiwan Cement	4,160,758	1.04
2,425,330	Taiwan Semiconductor Manufacturing	15,000,191	3.76
		35,822,959	8.98
Thailand — 3.21% (3.67%)			
1,530,000	Advanced Info Service	7,161,303	1.79
1,065,400	Bangkok Bank	5,649,957	1.42
		12,811,260	3.21
PACIFIC BASIN — 31.80% (35.89%)			
Australia — 27.95% (31.20%)			
847,039	Amcor	6,874,531	1.72
11,850,999	Arrium ¹	—	—
402,385	Australia & New Zealand Banking Group	6,456,533	1.62
627,577	Computershare	6,322,459	1.58
1,436,018	Costa Group	6,005,634	1.50
2,035,136	Downer EDI	7,592,340	1.90
5,556,627	Myer	1,364,210	0.34
385,031	National Australia Bank	6,580,097	1.65
1,977,119	Nine Entertainment	2,577,660	0.65
829,657	Orica	8,807,814	2.21
3,845,424	Qantas Airways	12,935,144	3.24
968,849	QBE Insurance Group	5,440,765	1.36

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Australia — (cont.)			
3,017,147	Scentre	6,675,185	1.67
2,227,550	Stockland	5,129,421	1.29
1,715,543	Telstra	3,330,741	0.83
2,061,585	Transurban	13,776,335	3.45
3,135,155	Vicinity Centres	4,370,556	1.10
431,731	Westpac Banking	7,329,457	1.84
		111,568,882	27.95
New Zealand — 3.85% (4.69%)			
774,402	Contact Energy	2,172,079	0.54
1,845,600	Fletcher Building	6,225,548	1.56
4,668,879	Meridian Energy	6,965,426	1.75
		15,363,053	3.85
Portfolio of investments²		389,863,290	97.68
Net other assets		9,240,565	2.32
Total net assets		£399,103,855	100.00%

¹ Delisted securities are 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: £58,275,318.

Total sales for the period: £36,448,790.

Financial Statements

Statement of Total Return for the period ended 10 March 2018

	10/03/18		10/03/17	
	£	£	£	£
Income				
Net capital (losses)/ gains		(1,016,334)		44,974,985
Revenue	4,962,160		5,318,396	
Expenses	(2,449,088)		(2,362,613)	
Interest payable and similar charges	(308)		(4,908)	
Net revenue before taxation	<u>2,512,764</u>		<u>2,950,875</u>	
Taxation	(402,501)		(303,731)	
Net revenue after taxation for the period		<u>2,110,263</u>		<u>2,647,144</u>
Total return before distributions		<u>1,093,929</u>		<u>47,622,129</u>
Distributions		(4,559,331)		(4,926,987)
Change in net assets attributable to Unitholders from investment activities		<u>£(3,465,402)</u>		<u>£42,695,142</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 10 March 2018

	10/03/18		10/03/17	
	£	£	£	£
Opening net assets attributable to Unitholders		372,753,759		323,345,580
Amounts received on issue of units	39,674,565		10,992,805	
Amounts paid on cancellation of units	(11,241,986)		(11,244,369)	
		<u>28,432,579</u>		<u>(251,564)</u>
Change in net assets attributable to Unitholders from investment activities		(3,465,402)		42,695,142
Retained distributions on accumulation units		1,381,210		1,460,426
Unclaimed distributions		<u>1,709</u>		<u>—</u>
Closing net assets attributable to Unitholders		<u>£399,103,855</u>		<u>£367,249,584</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 10 March 2018

	10/03/18 £	10/09/17 £
ASSETS		
Fixed assets:		
Investments	389,863,290	369,893,672
Current assets:		
Debtors	7,577,924	2,938,612
Cash and bank balances	7,532,958	8,497,258
Total assets	404,974,172	381,329,542
LIABILITIES		
Creditors:		
Bank overdrafts	(119,556)	(3,133,677)
Distributions payable	(1,840,412)	(4,718,353)
Other creditors	(3,910,349)	(723,753)
Total liabilities	(5,870,317)	(8,575,783)
Net assets attributable to Unitholders	£399,103,855	£372,753,759

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.

(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.

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	2,227,011	426,240	522.49
Accumulation Units	15,873,925	1,963,864	808.30
E-Class			
Distribution Units	156,467,576	29,946,291	522.49
Accumulation Units	3,001,951	371,388	808.30
F-Class			
Distribution Units	6,880	1,277	538.97
Accumulation Units	43,682	5,240	833.60
I-Class			
Distribution Units	87,809,144	15,909,208	551.94
Accumulation Units	78,694,110	9,224,765	853.07
C-Class			
Distribution Units	32,520,078	44,339,744	73.34
Accumulation Units	22,459,498	27,659,933	81.20

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.

Ongoing Charges Figures

	10 Mar 18	10 Sep 17
R-Class	1.65%	1.82%
E-Class	1.65%	1.82%
F-Class	1.15%	1.32%
I-Class	0.86%	0.93%
C-Class	0.68%	0.75%

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.

Trust Information continued

Distribution Information

R-Class

The distribution payable on 10 May 2018 is 3.4452p per unit for distribution units and 5.2995p per unit for accumulation units.

E-Class

The distribution payable on 10 May 2018 is 3.4452p per unit for distribution units and 5.2995p per unit for accumulation units.

F-Class

The distribution payable on 10 May 2018 is 3.5604p per unit for distribution units and 5.4622p per unit for accumulation units.

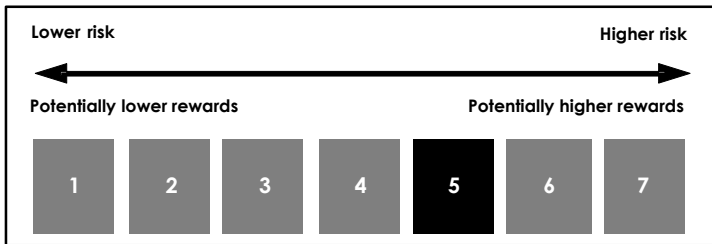
I-Class

The distribution payable on 10 May 2018 is 3.6417p per unit for distribution units and 5.5920p per unit for accumulation units.

C-Class

The distribution payable on 10 May 2018 is 0.4839p per unit for distribution units and 0.5322p per unit for accumulation units.

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 five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- 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.

General Information

Constitution

Launch date:	9 September 1985
Period end dates for distributions:	10 March, 10 June, 10 September, 10 December
Distribution dates:	10 February, 10 May, 10 August, 10 November
Minimum initial lump sum investment:	R-Class £500 E-Class £100,000 F-Class* £500 I-Class £1,000,000 C-Class** £50,000,000
Minimum monthly contributions:	R-Class £50 E-Class N/A F-Class* £50 I-Class N/A C-Class** N/A
Valuation point:	12 noon
Fund management fees:†	R-Class Annual 1.58% E-Class Annual 1.58% F-Class* Annual 1.08% I-Class Annual 0.83% C-Class** Annual 0.65%
Initial charges:	R-Class Nil E-Class Nil F-Class* Nil I-Class Nil C-Class** Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- (ii) authorised intermediaries or 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.

** C-Class units are only available to distributors who actively market and distribute such units (or whom the Manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

† With effect from 2 January 2018 - See Significant Change on page 15.

General Information continued

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/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

The Manager will send to all persons on the Unitholder Register annual and interim short form 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.

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, though the size of any return will be dependent on the size of subscriptions and redemptions.

Significant Change

Change of Fund Management Fees (FMF)

With effect from 2 January 2018, the FMF for all share classes were reduced as shown below:

	Old FMF	New FMF
R-Class	1.82%	1.58%
E-Class	1.82%	1.58%
F-Class	1.32%	1.08%
I-Class	0.93%	0.83%
C-Class	0.75%	0.65%

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

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Morrissey (appointed 5 July 2017)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services PLC
Trustee and Depository Services
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

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
London EC2R 5AA
Authorised and regulated by the Financial Conduct Authority

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

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(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
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