Distribution Number 36

Legal & General Asian Income Trust

Interim Manager's Short Report for the period ended 10 March 2018

EVERY DAY MATTERS.®

Legal & General

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.

Risk Profile

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of market movements. 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.

Currency Risk

This Trust is invested 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.

Trust Facts

Period End Dates for Distributions:	10 Mar, 10 Jun, 10 Sep, 10 Dec	
Distribution Dates:	10 Feb, 10 May, 10 Aug, 10 Nov	
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.

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 indicator 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.

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.

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.

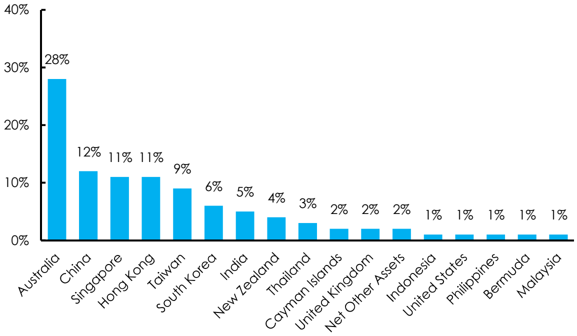
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

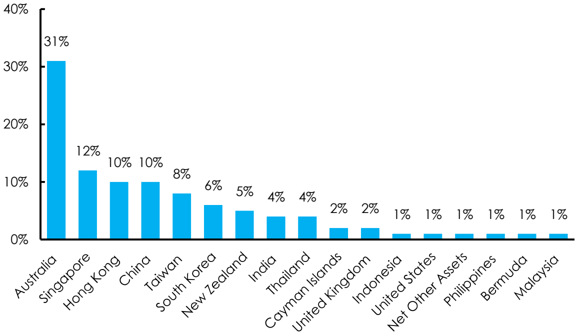
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 10 March 2018		Top 10 Holdings at 10 September 2017	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Taiwan Semiconductor Manufacturing	3.76%	Transurban	3.68%
China Construction Bank 'H'	3.67%	Taiwan Semiconductor Manufacturing	3.41%
Transurban	3.45%	China Construction Bank 'H'	3.24%
Qantas Airways	3.24%	Qantas Airways	3.05%
DBS Group	2.90%	DBS Group	2.33%
China Mobile	2.63%	Downer EDI	2.15%
United Overseas Bank	2.43%	United Overseas Bank	2.15%
Bank of China 'H'	2.34%	Fletcher Building	2.13%
Orica	2.21%	Rio Tinto	2.13%
Coal India	2.20%	Westpac Banking	2.09%

Trust Holdings as at 10 March 2018



Trust Holdings as at 10 September 2017



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)

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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

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.

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.

Minimum Investment Amounts

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

R-Class	£500
E-Class	£100,000
F-Class	£500
I-Class	£1,000,000
C-Class	£50,000,000

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

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.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the period under review and how it is invested at the period 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.

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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%

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

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

Trustee

Northern Trust Global Services PLC
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

Authorised and regulated by the Financial Conduct Authority

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(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com
FAE0518