

Legal & General Asian Income Trust
Interim Manager's Report
for the period ended
10 March 2019
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust 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.

The Trust may hold derivatives for the purpose of Efficient Portfolio Management.

Manager's Investment Report

During the period under review, the Trust's R-Class accumulation units rose by 1.41%. This compares to a rise in the FTSE All-World Asia Pacific (excluding Japan) Index of 0.17% on a total return, Sterling adjusted basis (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

Global equity indices have performed poorly over the last six months. Markets became increasingly volatile as 2018 ended, recording heavy losses before regaining some lost ground in January and February. Concerns that the Federal Reserve was raising US interest rates too quickly, the risk of a prolonged government shutdown in the US, the ongoing US-China trade dispute and weaker global economic indicators all combined to trigger widespread risk aversion amongst investors. The healthcare sector performed well, boosted by robust earnings growth. As global economic prospects became more uncertain, technology stocks struggled while the energy sector performed poorly, as the oil price fell back to a 15-month low in December.

Asia-Pacific equities struggled, underperforming relative to global and broader emerging market equities. Even as early worries that the US-China trade dispute was dragging on exports gave way to optimism that talks could produce a negotiated solution, China's ongoing economic slowdown continued to cast a shadow over Asia-Pacific equities generally, although a decision to increase the country's weighting in a key Index boosted Chinese equities in February. Japanese equities struggled on disappointing export data and concerns that economic weakness could warrant further stimulus. Despite unease over the effects of falling house prices, buoyant consumer activity lent some support to Australian equities.

Trust Review

The Trust delivered a minor positive return over the review period. In falling global equity markets over the last few months of 2018, the Asian market fared comparatively better. The Trust benefited from investors' style rotation alongside a focus on quality and value stocks. While the Trust's underweight position in China was beneficial for relative performance early in the period, this proved a headwind in the later months.

At the stock level, MGM China was a positive active contributor. The shares performed well after the company reported fourth quarter results that were above market expectations. Strong earnings performance came from a notable Cotai property ramp-up. Meanwhile, costs improved and volumes in VIP impressed investors.

Manager's Investment Report continued

We also saw good returns from Rio Tinto on the back of a surge in iron ore prices. This was triggered by a tragic dam collapse in Brazil, which affected iron ore assets owned by Vale. Overall, the mining sector made new relative highs, with iron ore breaking higher and the CRB Spot Metals Index near a five-month high. Specifically for Rio Tinto, any considerable uplift in spot iron ore prices can have a significant impact on free-cashflow generation, which we expect would likely be returned to shareholders.

During the review period, we continued to build our new position in Yuzhou Properties, given the attractive investment case for Chinese property. Based in Shanghai, this is a national property developer that has expanded rapidly, benefiting from exposure to 25 cities and managing total assets worth 1037 billion Renminbi (RMB). The company is making selective land acquisition at attractive valuations in tier 1 and 2 cities, which the management believe offers strong growth potential, including its recent mainland acquisitions from competitor Coastal Greenland. We consider Yuzhou Properties to have highly efficient operational qualities, with a management team that are confident in achieving their financial targets. Yuzhou Properties also offers a stable dividend policy and a yield in excess of 10%.

We exited our small remaining position in Philippines telecom carrier PLDT Incorporated, following a bounce in the share price. This decision is predominantly due to increased concerns around the level of competition in the market. We also reduced our holdings of Meridian Energy and Transurban, following a period of strong performance. We used the cash from closed positions to increase our positions in China Construction Bank 'H', Telstra and NTPC.

Outlook

We see next year as the start of the twilight zone between expansion and a downturn marking the end of the cycle, an environment where a point forecast for equities at the end of 2019 becomes increasingly useless. However, those hoping for a return to tranquillity may be disappointed. There are still severe warning signs over credit creation in China. But we struggle to identify a disaster catalyst, given the economy's fiscal space, the decent loan-to-deposit ratios within its banking sector and its limited dependence on foreign investors. We believe the country has managed to stabilise its deleveraging process for now and expect capital flight to subside or even reverse. A rebound in Chinese economic activity is likely, pepping up the outlook for global growth over 2019.

Legal & General Investment Management Limited
(Investment Adviser)
1 April 2019

Authorised Status

Authorised Status

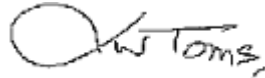
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
29 April 2019

Portfolio Statement

Portfolio Statement as at 10 March 2019

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 September 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
UNITED KINGDOM — 1.91% (2.15%)			
189,493	Rio Tinto	7,717,102	1.91
NORTH AMERICA — 5.85% (2.54%)			
United States — 0.85% (0.85%)			
3,145,773	Heilan Home Warrants	3,445,000	0.85
Bermuda — 0.00% (0.33%)			
Cayman Islands — 5.00% (1.36%)			
291,400	Melco Resorts & Entertainment ADR	5,050,963	1.25
6,849,150	MGM China	10,531,840	2.61
11,634,000	Yuzhou Properties	4,614,068	1.14
		20,196,871	5.00
ASIA — 60.40% (63.15%)			
China — 13.83% (12.74%)			
5,466,000	Anhui Expressway 'H'	2,673,831	0.66
24,309,339	Bank of China 'H'	8,527,785	2.11
22,328,658	China Construction Bank 'H'	14,991,408	3.71
3,631,500	China Shenhua Energy 'H'	6,560,793	1.62
6,253,001	Daqin Railway	6,003,437	1.48
3,182,000	Jiangsu Expressway 'H'	3,261,944	0.81
12,626,000	PetroChina 'H'	6,176,324	1.53
6,059,512	Red Star Macalline Group 'H'	4,570,242	1.13
4,530,000	Sinopec Engineering 'H'	3,134,131	0.78
		55,899,895	13.83
Hong Kong — 12.75% (12.24%)			
2,043,000	China Mobile	16,165,345	4.00
6,940,000	CNOOC	8,967,339	2.22
1,453,000	Hopewell	5,196,277	1.28
9,635,000	SJM	8,374,852	2.07
425,500	Sun Hung Kai Properties	5,373,598	1.33
1,906,800	Swire Properties	6,010,907	1.49
1,000,400	Television Broadcasts	1,472,011	0.36
		51,560,329	12.75
India — 6.19% (5.99%)			
3,001,065	Bharti Infratel	10,007,821	2.47
3,111,014	Coal India	7,990,805	1.98
4,237,965	NTPC	7,021,223	1.74
		25,019,849	6.19
Indonesia — 1.09% (1.02%)			
22,005,500	PT Telekomunikasi Indonesia Persero	4,398,575	1.09
Malaysia — 0.48% (0.59%)			
4,701,092	SP Setia	1,960,193	0.48

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Philippines — 0.00% (0.83%)		
	Singapore — 8.57% (11.16%)		
764,214	DBS Group	10,772,433	2.66
6,861,821	ESR-REIT	2,064,956	0.51
1,285,700	Keppel	4,404,277	1.09
919,454	Singapore Airlines	5,032,231	1.25
1,629,600	Singapore Technologies Engineering	3,373,235	0.83
641,963	United Overseas Bank	8,995,006	2.23
		34,642,138	8.57
	South Korea — 4.57% (5.81%)		
80,933	Coway	4,947,450	1.22
56,010	Hyundai Motor (2nd Preference Shares)	2,933,696	0.73
66,249	Hyundai Motor (Preference Shares)	3,189,006	0.79
112,283	KB Financial	3,182,482	0.79
427,487	KT ADR	4,215,029	1.04
		18,467,663	4.57
	Taiwan — 9.75% (9.61%)		
1,020,000	Catcher Technology	5,555,783	1.38
2,617,809	Chicony Electronics	4,472,079	1.11
887,579	MediaTek	5,878,321	1.45
2,488,020	Quanta Computer	3,449,565	0.85
5,160,741	Taiwan Cement	4,848,934	1.20
2,671,330	Taiwan Semiconductor Manufacturing	15,211,703	3.76
		39,416,385	9.75
	Thailand — 3.17% (3.16%)		
1,079,300	Bangkok Bank	5,562,448	1.38
5,542,461	Intouch NVDR	7,241,231	1.79
		12,803,679	3.17
	PACIFIC BASIN — 30.54% (31.60%)		
	Australia — 26.88% (26.64%)		
1,284,014	Amcor	10,285,194	2.54
2,074,504	Downer EDI	8,453,566	2.09
5,661,683	Myer	1,430,539	0.35
633,460	National Australia Bank	8,639,649	2.14
845,716	Orica	8,174,679	2.02
3,953,583	Qantas Airways	12,029,948	2.98
894,186	QBE Insurance Group	5,936,784	1.47
3,735,336	Scentre	7,992,253	1.98
2,270,742	Stockland	4,480,127	1.11
4,719,373	Telstra	8,169,522	2.02
2,440,296	Transurban	16,438,040	4.07
3,196,521	Vicinity Centres	4,347,650	1.07
847,095	Westpac Banking	12,286,566	3.04
		108,664,517	26.88

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	New Zealand — 3.66% (4.96%)		
1,542,561	Contact Energy	5,094,834	1.26
2,701,137	Fletcher Building	6,747,179	1.67
1,488,803	Meridian Energy	2,976,655	0.73
		<hr/>	<hr/>
		14,818,668	3.66
		<hr/>	<hr/>
Portfolio of investments¹		399,010,864	98.70
Net other assets		5,269,577	1.30
		<hr/>	<hr/>
Total net assets		£404,280,441	100.00%
		<hr/>	<hr/>

¹ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the period: £46,663,080.

Total sales for the period: £34,748,432.

Financial Statements

Statement of Total Return for the period ended 10 March 2019

	14/09/18 to 10/03/19 ¹		10/09/17 to 10/03/18	
	£	£	£	£
Income				
Net capital gains/ (losses)		3,457,169		(1,016,334)
Revenue	5,425,334		4,962,160	
Expenses	(2,074,623)		(2,449,088)	
Interest payable and similar charges	(101)		(308)	
Net revenue before taxation	<u>3,350,610</u>		<u>2,512,764</u>	
Taxation	(578,872)		(402,501)	
Net revenue after taxation for the period		<u>2,771,738</u>		<u>2,110,263</u>
Total return before distributions		6,228,907		1,093,929
Distributions		<u>(4,846,302)</u>		<u>(4,559,331)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£1,382,605</u>		<u>£(3,465,402)</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 10 March 2019

	14/09/18 to 10/03/19 ¹		10/09/17 to 10/03/18	
	£	£	£	£
Opening net assets attributable to Unitholders		386,221,552		372,753,759
Amounts received on issue of units	14,191,148		39,674,565	
Amounts received on in-specie transactions	11,333,853		—	
Amounts paid on cancellation of units	<u>(11,262,275)</u>		<u>(11,241,986)</u>	
		14,262,726		28,432,579
Change in net assets attributable to Unitholders from investment activities		1,382,605		(3,465,402)
Retained distributions on accumulation units		2,412,119		1,381,210
Unclaimed distributions		<u>1,439</u>		<u>1,709</u>
Closing net assets attributable to Unitholders		<u>£404,280,441</u>		<u>£399,103,855</u>

¹ The Trust's final accounting date, usually 10 September, was moved to 14 September 2018 in order to facilitate the closure of E-Class.

The difference between the opening net assets and the comparative closing net is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 10 March 2019

	10/03/19 £	14/09/18 ¹ £
ASSETS		
Fixed assets:		
Investments	399,010,864	384,076,974
Current assets:		
Debtors	6,294,294	3,034,562
Cash and bank balances	4,768,338	7,955,267
Total assets	410,073,496	395,066,803
LIABILITIES		
Creditors:		
Bank overdrafts	(3,191,875)	(2,721,159)
Distributions payable	(1,204,721)	(5,388,608)
Other creditors	(1,396,459)	(735,484)
Total liabilities	(5,793,055)	(8,845,251)
Net assets attributable to Unitholders	£404,280,441	£386,221,552

¹ The Trust's final accounting date, usually 10 September, was moved to 14 September 2018 in order to facilitate the closure of E-Class.

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 Management 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	34,735,878	6,944,333	500.20
Accumulation Units	127,763,860	15,813,403	807.95
F-Class			
Distribution Units	6,625	1,278	518.39
Accumulation Units	43,879	5,240	837.39
I-Class			
Distribution Units	91,014,056	17,090,652	532.54
Accumulation Units	76,562,704	8,912,320	859.07
C-Class			
Distribution Units	34,500,818	48,665,974	70.89
Accumulation Units	39,652,621	48,370,667	81.98

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 19	14 Sep 18 ¹
R-Class	1.58%	1.65%
E-Class	–	1.65%
F-Class	1.08%	1.15%
I-Class	0.83%	0.86%
C-Class	0.65%	0.68%

¹ The Trust's final accounting date, usually 10 September, was moved to 14 September 2018 in order to facilitate the closure of E-Class.

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 2019 is 3.7614p per unit for distribution units and 6.0149p per unit for accumulation units.

F-Class

The distribution payable on 10 May 2019 is 3.9005p per unit for distribution units and 6.2448p per unit for accumulation units.

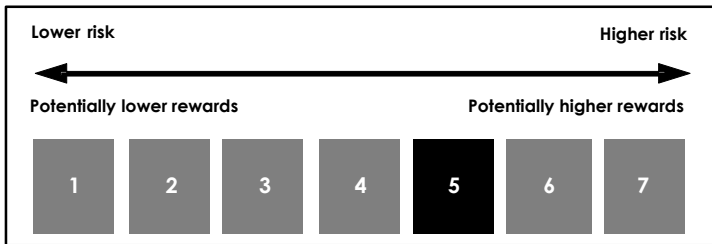
I-Class

The distribution payable on 10 May 2019 is 4.0005p per unit for distribution units and 6.4052p per unit for accumulation units.

C-Class

The distribution payable on 10 May 2019 is 0.5337p per unit for distribution units and 0.6139p 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 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.
- 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 £100 F-Class* £500 I-Class £1,000,000 C-Class** £50,000,000 L-Class*** £100,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A C-Class** N/A L-Class*** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.58% F-Class* Annual 1.08% I-Class Annual 0.83% C-Class** Annual 0.65% L-Class*** Annual 0.10%
Initial charges:	Nil for all existing classes

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Trust; and
- (ii) 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 available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

*** L-Class is not available to retail customers and is intended only for investment by Legal & General group companies.

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.

General Information continued

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

New Unit Class: L-Class

With effect from 25 April 2019, L-Class units have launched within the Trust with accumulation units available.

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 (resigned 31 December 2018)
A. J. C. Craven
S. Hynes
H. Morrissey
H. Solomon
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 SE UK Branch
Trustee and Depositary 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

KPMG LLP
15 Canada Square,
London E14 5GL

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**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
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