

Legal & General Asian Income Trust
Interim Manager's Report
for the period ended
10 March 2020
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust is to provide income and growth above those of the FTSE Asia Pacific ex-Japan TR Net Index, the "Benchmark Index". The Trust aims to outperform the Benchmark Index by 2% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Trust is actively managed and will invest at least 80% in the shares of companies domiciled in Asia excluding Japan (including emerging and developing countries) and in shares quoted on other stock exchanges where the company's principal business activities are in Asia excluding Japan.

Over a market cycle (typically 3 to 5 years), the Trust will comprise on average 40 to 80 companies selected by the Manager following research of each company.

The Trust may also invest in participatory notes, preference shares, cash, permitted deposits, money market instruments (such as treasury bills) and collective investment schemes, including those which are operated by the Manager or an associate of the Manager.

In addition, the Trust is also permitted to receive and hold warrants and convertible bonds as a result of corporate actions.

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

Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class accumulation units fell by 17.87%. During the same period the Benchmark Index fell by 6.56% (Source: Rimes).

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 lost ground in Sterling terms over the review period, with major markets selling off sharply in late February as the coronavirus spread from China to Europe. Prior to the New Year, markets were underpinned by an accommodative stance from major central banks with US Federal Reserve (Fed) sanctioning further interest rate cuts in September and October. As 2020 began, equities received a further boost as the US and China reached a phase one trade agreement. For UK-based investors, Sterling's appreciation against other major currencies has erased modest gains from overseas equity markets.

Asia-Pacific equities ended the review period lower, underperforming relative to wider global equities. Having performed relatively well in late 2019 on optimism that the US-China trade deal would bolster exports and global economic activity, Asia-Pacific markets tumbled in late January and February amid worries over COVID-19's rapid spread. Japanese equities fared relatively poorly amid concerns that the economic recovery could falter in the face of renewed export challenges. However, optimism that China's measures to contain the outbreak had been effective helped to underpin Hong Kong-listed equities. Nevertheless, Australian equities fell on worries over the devastating wildfires and the ongoing virus impact.

Manager's Investment Report continued

Trust Review

The Trust delivered a negative return over the review period. Fears surrounding COVID-19 and its impact not just in Asia but across the global economy gathered pace towards the end of the review period, at which time we witnessed a broader drawdown in equity markets across sectors, styles and stocks.

In the first few months of the review period, country and stock selection were positive. Contributions from stock selection in China, alongside overweight positions in Australia and New Zealand characterised the earlier months. However from December 2019, a number of these elements turned negative, with stock selection and positioning in China and South Korea detracting from performance, alongside the overweight position in Australia. On a stock level, positive contributors during these months included Fletcher Building, Bharti Infratel (which despite suffering during October, rebounded strongly in November), and China Mobile.

As the backdrop became increasingly dominated by the spread of COVID-19, on a sector basis, industries most exposed to any short-term impact on supply chains or to a slowdown in global economic activity, as well as those companies with high fixed costs, were hard hit. This meant that the Trust's exposure to Australia, which has a bias towards industrials and resources, was a significant detractor, and at a stock level the holding in Qantas Airways was similarly negative for performance, as restrictions on travel began to affect the region. Elsewhere at this time, the Trust's lack of exposure to the consumer discretionary and technology sectors in China, and in particular not holding Tencent and Alibaba also detracted from performance.

Outlook

The latest consensus view is that markets will remain under pressure for longer, as news related to COVID-19 suggest that the economic impact may be greater than prior assumptions, with higher uncertainty around how growth will unfold over the next few months. There is even greater uncertainty around the timing of the rebound, its speed and how far away from normal the world economy settles a few quarters after the virus has eventually run its course. On a country basis, the Trust's most significant exposures are to Australia and China, followed by Taiwan and Hong Kong. In terms of sector allocations, the greatest exposures are to financials and industrials.

Important note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The impact on the Company will take longer to assess; however, the Company has enacted its business continuity plans, with a large number of staff working remotely. Our technology and IT infrastructure supports large scale remote working, with our Investment Management Teams able to work in a 'business as usual' manner. We remain in regular contact with all key suppliers and we continue to monitor this situation closely.

The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, as well as on the actions taken by governments and central banks.

Authorised Status

Authorised Status

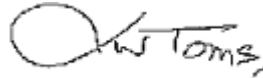
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
1 May 2020

Portfolio Statement

Portfolio Statement as at 10 March 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 10 September 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — 1.66% (1.89%)		
477,975	BHP Group	5,613,339	1.66
	NORTH AMERICA — 5.27% (5.08%)		
	United States — 0.70% (0.71%)		
3,116,773	Heilan Home (P Note)	2,378,728	0.70
	Cayman Islands — 4.57% (4.37%)		
381,114	Melco Resorts & Entertainment ADR	4,397,019	1.30
6,785,950	MGM China	6,190,179	1.83
13,244,431	Yuzhou Properties	4,890,188	1.44
		15,477,386	4.57
	ASIA — 61.71% (59.26%)		
	China — 16.13% (15.16%)		
5,416,000	Anhui Expressway 'H'	2,352,621	0.69
28,902,339	Bank of China 'H'	8,731,222	2.58
22,122,658	China Construction Bank 'H'	13,999,610	4.13
3,598,000	China Shenhua Energy 'H'	4,916,068	1.45
7,236,974	CIMC Vehicles Group	4,015,263	1.18
6,195,357	Daqin Railway	4,905,954	1.45
3,152,000	Jiangsu Expressway 'H'	2,819,259	0.83
29,804,000	PetroChina 'H'	8,179,749	2.41
6,003,712	Red Star Macalline Group 'H'	3,295,454	0.97
4,488,000	Sinopec Engineering 'H'	1,484,288	0.44
		54,699,488	16.13
	Hong Kong — 13.37% (11.17%)		
2,347,000	China Mobile	13,473,593	3.97
1,912,000	China Overseas Land & Investment	4,860,554	1.43
6,876,000	CNOOC	6,143,347	1.81
1,383,200	Dah Sing Financial	3,454,826	1.02
8,457,000	SJM	7,038,247	2.08
421,500	Sun Hung Kai Properties	4,494,092	1.33
2,617,200	Swire Properties	5,878,126	1.73
		45,342,785	13.37
	India — 5.40% (5.88%)		
2,973,400	Bharti Infratel	6,449,826	1.90
3,944,040	Coal India	6,431,800	1.90
5,038,677	NTPC	5,412,717	1.60
		18,294,343	5.40
	Indonesia — 1.20% (1.28%)		
21,802,600	PT Telekomunikasi Indonesia Persero	4,068,726	1.20
	Malaysia — 0.27% (0.31%)		
4,764,822	SP Setia	905,695	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Singapore — 6.59% (7.20%)			
757,214	DBS Group	8,976,529	2.65
1,273,800	Keppel	4,005,249	1.18
701,554	Singapore Airlines	3,045,715	0.90
522,063	United Overseas Bank	6,315,604	1.86
		22,343,097	6.59
South Korea — 5.41% (4.51%)			
55,494	Hyundai Motor (2nd Preference Shares)	2,408,299	0.71
65,638	Hyundai Motor (Preference Shares)	2,523,580	0.75
217,829	KB Financial	4,922,680	1.45
566,687	KT ADR	4,103,186	1.21
96,264	Woongjin Coway	4,375,663	1.29
		18,333,408	5.41
Taiwan — 11.94% (10.81%)			
1,011,000	Catcher Technology	5,867,114	1.73
439,579	MediaTek	4,197,349	1.24
2,465,020	Quanta Computer	3,812,618	1.12
5,474,554	Taiwan Cement	5,822,233	1.72
2,646,330	Taiwan Semiconductor Manufacturing	20,769,683	6.13
		40,468,997	11.94
Thailand — 1.40% (2.94%)			
1,613,300	Bangkok Bank	4,742,487	1.40
PACIFIC BASIN — 29.79% (31.87%)			
Australia — 26.66% (28.57%)			
1,272,177	Amcor	8,656,650	2.55
2,055,380	Downer EDI	4,955,110	1.46
5,609,491	Myer	762,277	0.22
647,818	National Australia Bank	6,879,567	2.03
890,166	Orica	8,198,752	2.42
4,765,719	Qantas Airways	10,673,678	3.15
5,755,102	Scentre	8,805,464	2.60
2,373,334	Star Entertainment	3,894,055	1.15
6,935,410	Telstra	12,217,035	3.60
2,206,626	Transurban Group	16,159,108	4.77
887,772	Westpac Banking	9,177,566	2.71
		90,379,262	26.66
New Zealand — 3.13% (3.30%)			
1,528,341	Contact Energy	4,614,221	1.36

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	New Zealand — (cont.)		
2,676,236	Fletcher Building	6,001,422	1.77
		10,615,643	3.13
	Portfolio of investments¹	333,663,384	98.43
	Net other assets	5,314,662	1.57
	Total net assets	£338,978,046	100.00%

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

Total purchases for the period: £29,031,657.

Total sales for the period: £30,729,748.

Financial Statements

Statement of Total Return for the period ended 10 March 2020

	11/09/19 to 10/03/20		14/09/18 to 10/03/19 ¹	
	£	£	£	£
Income				
Net capital (losses)/ gains		(75,567,323)		3,457,169
Revenue	5,456,421		5,425,334	
Expenses	(1,220,119)		(2,074,623)	
Interest payable and similar charges	(24)		(101)	
Net revenue before taxation	<u>4,236,278</u>		<u>3,350,610</u>	
Taxation	(408,050)		(578,872)	
Net revenue after taxation for the period		<u>3,828,228</u>		<u>2,771,738</u>
Total return before distributions		(71,739,095)		6,228,907
Distributions		(5,048,347)		(4,846,302)
Change in net assets attributable to Unitholders from investment activities		<u>£(76,787,442)</u>		<u>£1,382,605</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 10 March 2020

	11/09/19 to 10/03/20		14/09/18 to 10/03/19 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		418,473,960		386,221,552
Amounts received on issue of units	9,238,854		14,191,148	
Amounts received on in-specie transactions	—		11,333,853	
Amounts paid on cancellation of units	(15,219,064)		(11,262,275)	
		(5,980,210)		14,262,726
Change in net assets attributable to Unitholders from investment activities		(76,787,442)		1,382,605
Retained distributions on accumulation units		3,269,824		2,412,119
Unclaimed distributions		1,914		1,439
Closing net assets attributable to Unitholders		<u>£338,978,046</u>		<u>£404,280,441</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 assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 10 March 2020

	10/03/20 £	10/09/19 £
ASSETS		
Fixed assets:		
Investments	333,663,384	410,513,052
Current assets:		
Debtors	3,196,308	3,373,670
Cash and bank balances	7,355,822	10,639,895
Total assets	344,215,514	424,526,617
LIABILITIES		
Creditors:		
Bank overdrafts	(1,024,159)	(2,662,195)
Distributions payable	(955,219)	(2,772,030)
Other creditors	(3,258,090)	(618,432)
Total liabilities	(5,237,468)	(6,052,657)
Net assets attributable to Unitholders	£338,978,046	£418,473,960

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. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity.

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	9,325,768	2,235,408	417.18
Accumulation Units	15,010,511	2,131,983	704.06
F-Class			
Distribution Units	6,453	1,485	434.69
Accumulation Units	31,602	4,309	733.37
I-Class			
Distribution Units	80,457,139	17,980,132	447.48
Accumulation Units	57,174,558	7,580,177	754.26
C-Class			
Distribution Units	28,731,318	48,141,575	59.68
Accumulation Units	33,198,627	46,073,023	72.06
L-Class			
Accumulation Units	115,042,070	274,629,075	41.89

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 20	10 Sep 19
R-Class	1.58%	1.58%
F-Class	1.08%	1.08%
I-Class	0.83%	0.83%
C-Class	0.65%	0.65%
L-Class	0.10%	0.10%

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 fund and is calculated based on the last period's figures.

Trust Information continued

Distribution Information

R-Class

The distribution payable on 10 May 2020 is 3.3653p per unit for distribution units and 5.6340p per unit for accumulation units.

F-Class

The distribution payable on 10 May 2020 is 3.5028p per unit for distribution units and 5.8649p per unit for accumulation units.

I-Class

The distribution payable on 10 May 2020 is 3.6063p per unit for distribution units and 6.0303p per unit for accumulation units.

C-Class

The distribution payable on 10 May 2020 is 0.4808p per unit for distribution units and 0.5759p per unit for accumulation units.

L-Class

The distribution payable on 10 May 2020 is 0.3346p 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 unit classes

* Class F 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.

** Class C 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.

*** Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

General Information continued

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/funds/prices-and-reports/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

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 Changes

Publication of Short Report Discontinued

With effect from 20 September 2019, the Short Report for this Trust will no longer be issued.

Change in Fund Management Fee (FMF)

With effect from 23 April 2020, the FMF for R-Class and L-Class were reduced as shown below:

	Old FMF	New FMF
R-Class	1.58%	1.48%
L-Class	0.10%	0.06%

Closure of F-Class Units

As at 12 December 2019, the F-Class Units were closed to new business.

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

E. Cowhey* (appointed 9 October 2019)
A. J. C. Craven
S. Hynes
H. Morrissey (resigned 18 October 2019)
H. Solomon
L. W. Toms
A. R. Toutouchi*
*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 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

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**

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(Unit Trust Managers) Limited
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