

Legal & General Asian Income Trust
**Interim Manager's
Short Report**
for the period ended
10 March 2017

**EVERY
DAY
MATTERS.®**



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.

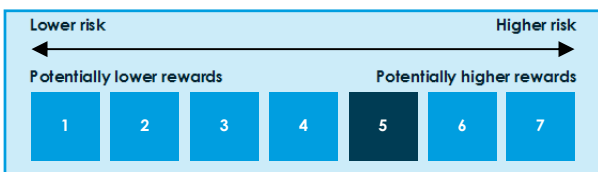
Trust Facts

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 17	10 Sep 16
E-Class	1.82%	1.77%
R-Class	1.82%	1.77%
I-Class	0.93%	0.88%
F-Class	1.32%	1.27%
C-Class	0.75%	0.70%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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



- 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 is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category five because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- 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

E-Class

The distribution payable on 10 May 2017 is 3.6182p per unit for distribution units and 5.3392p per unit for accumulation units.

R-Class

The distribution payable on 10 May 2017 is 3.6182p per unit for distribution units and 5.3392p per unit for accumulation units.

I-Class

The distribution payable on 10 May 2017 is 3.7855p per unit for distribution units and 5.5810p per unit for accumulation units.

F-Class

The distribution payable on 10 May 2017 is 3.7077p per unit for distribution units and 5.4731p per unit for accumulation units.

C-Class

The distribution payable on 10 May 2017 is 0.5135p per unit for distribution units and 0.5422p 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)
E-Class			
Distribution Units	171,934,889	32,655,344	526.51
Accumulation Units	3,131,385	400,293	782.27
R-Class			
Distribution Units	1,986,903	377,370	526.51
Accumulation Units	15,536,317	1,986,047	782.27
I-Class			
Distribution Units	65,721,437	11,919,318	551.39
Accumulation Units	89,191,276	10,897,065	818.49
F-Class			
Distribution Units	6,898	1,277	540.17
Accumulation Units	30,015	3,739	802.75
C-Class			
Distribution Units	18,530,309	25,333,834	73.14
Accumulation Units	1,180,155	1,517,524	77.77

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.

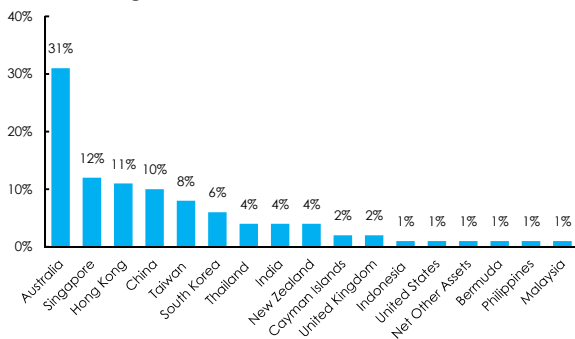
Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Information

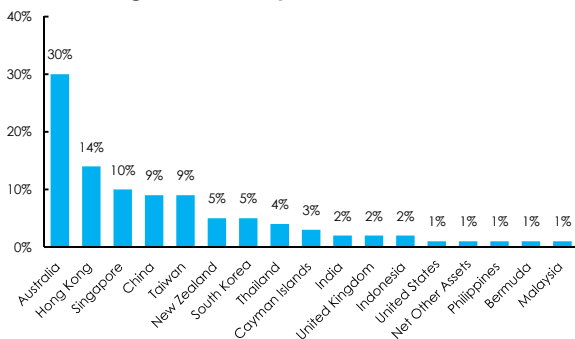
The top 10 holdings and their associated weighting at the current period end and preceding year end were:

Top 10 Holdings at 10 March 2017		Top 10 Holdings at 10 September 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Transurban Group	3.46%	China Construction Bank 'H'	3.44%
China Construction Bank 'H'	3.29%	Transurban Group	3.40%
Taiwan Semiconductor Manufacturing	3.13%	Taiwan Semiconductor Manufacturing	3.13%
National Australia Bank	2.59%	Australia & New Zealand Banking Group	2.70%
Australia & New Zealand Banking Group	2.55%	Coal India (P-Note)	2.37%
DUET Group	2.42%	National Australia Bank	2.33%
DBS Holdings	2.25%	Meridian Energy	2.33%
Coal India	2.15%	DUET Group	2.32%
Qantas Airways	2.15%	QBE Insurance Group	2.25%
United Overseas Bank	2.03%	Downer EDI	2.19%

Trust Holdings as at 10 March 2017



Trust Holdings as at 10 September 2016



Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class accumulation units rose by 14.56%. This compares to a rise in the FTSE All-World Asia Pacific (excluding Japan) Index of 12.85% on a total return, Sterling adjusted basis (Source: Bloomberg).

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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

The global equity rally gathered steam in late 2016 and in early 2017 with markets moving higher despite a backdrop of rising political uncertainty. The US took centre stage, with the twin drivers of the Federal Reserve's (Fed) interest rate policy and November's presidential election shaping market movements. President Trump's victory led investors to anticipate rising domestic growth and inflation given his plans for a significant fiscal stimulus package.

Western stock markets and bond yields moved notably higher in response. This trend continued into December and early 2017, even as the Fed took the decision to raise US interest rates for only the second time since the global financial crisis, with the FTSE 100 Index reaching new all-time highs.

In Asia, Japanese equities outperformed other major markets in local currency terms, led by major exporters as the US Dollar rebounded sharply against the Yen. Elsewhere in the region, performance was more muted. Australia, Taiwan and Thailand led returns, while China, Hong Kong and Malaysia were weakest. Chinese stocks were initially led lower thanks to renewed fears of currency devaluation and capital outflows, although they saw a reversal of fortunes in early 2017 as the Yuan stabilised.

Trust Review

The Trust delivered a positive return over the review period and outperformed the benchmark Index, driven by strong gains in Australia (mining, industrials and financials) and Hong Kong (financials). However, our technology holdings in Taiwan detracted from performance. Regional allocation aided returns, thanks predominantly to our overweight positioning in Australia and underweight positioning in India.

While there has been no significant shift in allocation at the country level, we have been more active on stock selection in recent months, taking advantage of several attractive market opportunities. As a result, we have slightly reduced our underweight positioning in India and South Korea. Our long-standing overweight allocations towards Australia and Singapore are maintained, although we have trimmed our position in the former, following strong performance during a robust corporate earnings season for the region.

Manager's Investment Report continued

Outlook

We see steady global growth continuing in 2017, aided by increasingly supportive US government spending. While global equity markets have been buoyed by diminishing deflation concerns, the perception of a 'goldilocks' economy, with good growth and low inflation, might prove short-lived. Equity markets could be well on their way to anticipating the next global recession by the end of the year.

In Asia specifically, Japan should continue to benefit from a combination of attractive valuations and corporate governance reform, with the potential for even more aggressive fiscal policy. Growth should remain relatively stable in China as prior stimulus greases the wheels of the power transition, but the failure to reign in lending growth means the medium-term outlook is becoming increasingly precarious. Emerging Asian markets face the prospect of tighter financial conditions, assuming US policy leads to higher global interest rates and weaker local currencies.

Legal & General Investment Management Limited
(Investment Adviser)
29 March 2017

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. With effect from 1 January 2016, 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:

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

Call charges will vary. We may record and monitor calls

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 Limited

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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