

Legal & General Asian Income Trust
Interim Manager's Report
for the period ended
10 March 2017
(Unaudited)

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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 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).

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

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.

Manager's Investment Report continued

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.

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

Authorised Status

Authorised Status

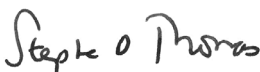
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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 2017

Portfolio Statement

Portfolio Statement as at 10 March 2017

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent country holdings at 10 September 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	United Kingdom — 1.94% (2.06%)		
221,713	Rio Tinto	7,122,530	1.94
	NORTH AMERICA — 4.38% (4.87%)		
	Bermuda — 0.70% (0.84%)		
6,768,000	Li & Fung	2,576,441	0.70
	Cayman Islands — 2.46% (2.61%)		
3,069,231	MGM China Holdings	4,771,215	1.30
9,895,500	SOHO China	4,249,699	1.16
		9,020,914	2.46
	United States — 1.22% (1.42%)		
3,642,000	Citigroup Global (P-Note)	4,492,557	1.22
	ASIA — 57.88% (56.44%)		
	China — 10.14% (8.94%)		
2,486,000	Anhui Expressway 'H'	1,626,491	0.44
9,325,339	Bank of China 'H'	3,727,961	1.02
18,870,658	China Construction Bank 'H'	12,086,190	3.29
2,779,000	China Shenhua Energy 'H'	4,544,000	1.24
9,438,000	Industrial and Commercial Bank of China 'H'	4,913,907	1.34
3,212,000	Jiangsu Expressway 'H'	3,637,577	0.99
3,916,000	PetroChina 'H'	2,354,459	0.64
1,418,000	Red Star Macalline Group 'H'	1,243,504	0.34
4,036,000	Sinopec Engineering Group 'H'	3,094,246	0.84
		37,228,335	10.14
	Hong Kong — 10.84% (14.21%)		
717,000	China Mobile	6,416,926	1.75
100,800	China Mobile (ADR)	4,544,011	1.24
4,504,000	CNOOC	4,212,427	1.15
1,450,500	Hopewell Holdings	4,491,237	1.22
9,201,000	SJM Holdings	5,902,770	1.61
528,000	Sun Hung Kai Properties	6,354,702	1.73
1,821,000	Swire Properties	4,605,362	1.25
954,600	Television Broadcasts	3,289,806	0.89
		39,817,241	10.84
	India — 3.75% (2.37%)		
1,539,163	Bharti Infratel	5,883,427	1.60
2,016,390	Coal India	7,897,193	2.15
		13,780,620	3.75
	Indonesia — 1.42% (1.54%)		
21,486,700	Telekomunikasi Indonesia	5,197,717	1.42
	Malaysia — 0.51% (0.56%)		
2,973,469	SP Setia Berhad Group	1,864,793	0.51
	Philippines — 0.67% (0.87%)		
98,130	Philippine Long Distance Telephone	2,463,927	0.67

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Singapore — 11.67% (10.24%)			
7,669,753	Cambridge Industrial Trust	2,515,613	0.68
4,189,000	CapitaLand Mall Trust	4,693,337	1.28
751,754	DBS Holdings	8,261,148	2.25
1,887,000	Frasers Centrepoint	1,889,622	0.52
1,227,100	Keppel	4,879,604	1.33
5,592,000	Lippo Malls Indonesia Retail Trust	1,249,804	0.34
877,454	Singapore Airlines	5,053,009	1.38
3,221,700	Singapore Technologies	6,845,107	1.86
601,855	United Overseas Bank	7,473,374	2.03
		42,860,618	11.67
South Korea — 6.39% (4.46%)			
58,000	Coway	3,689,562	1.00
52,888	Hyundai Motor	3,718,120	1.01
107,151	KB Financial Group	3,735,955	1.02
54,192	KT	1,239,725	0.34
222,665	KT (ADR)	3,020,088	0.82
803,429	Macquarie Korea Infrastructure	4,699,251	1.28
172,200	SK Telecom (ADR)	3,369,408	0.92
		23,472,109	6.39
Taiwan — 8.58% (8.80%)			
1,945,273	Chicony Electronics	3,740,210	1.02
4,804,281	Far Eastern New Century	3,363,642	0.91
763,579	MediaTek	4,495,566	1.22
2,375,020	Quanta Computer	4,050,006	1.10
4,478,401	Taiwan Cement	4,394,426	1.20
2,359,330	Taiwan Semiconductor Manufacturing	11,481,594	3.13
		31,525,444	8.58
Thailand — 3.91% (4.45%)			
1,488,400	Advanced Info Services	5,852,047	1.59
1,083,000	Bangkok Bank	4,799,819	1.31
407,900	PTT	3,691,516	1.01
		14,343,382	3.91
PACIFIC — 34.83% (35.49%)			
Australia — 31.22% (30.32%)			
493,563	Ancor	4,379,483	1.19
2,090,746	AMP	6,550,672	1.78
11,850,999	Arrium*	—	—
473,500	Australia & New Zealand Banking Group	9,364,595	2.55
610,558	Computershare	5,326,869	1.45
2,174,467	Costa Group	5,897,406	1.61
1,257,969	Downer EDI	5,608,368	1.53
5,187,294	DUET Group	8,897,228	2.42
5,405,945	Myer Holdings	3,816,019	1.04
464,150	National Australia Bank	9,527,435	2.59
3,588,648	Nine Entertainment Holdings	2,344,323	0.64
631,597	Orica	7,106,063	1.93
3,350,226	Qantas Airways	7,883,005	2.15
925,231	QBE Insurance Group	7,298,837	1.99
682,031	Scentre Group	1,799,069	0.49
3,033,097	Spotless Group	1,427,362	0.39
2,078,443	Stockland	5,932,983	1.62
1,669,021	Telstra	4,784,944	1.30

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Australia — (cont.)		
1,860,000	Transurban Group	12,714,992	3.46
183,279	Westpac Banking Corporation	3,986,805	1.09
		114,646,458	31.22
	New Zealand — 3.61% (5.17%)		
786,842	Fletcher Building	4,152,483	1.13
1,723,839	Genesis Energy	2,080,526	0.57
4,542,270	Meridian Energy	7,033,677	1.91
		13,266,686	3.61
Portfolio of investments		363,679,772	99.03
Net other assets		3,569,812	0.97
Total net assets		£367,249,584	100.00%

* This is delisted security and has been valued at the Manager's best assessment of fair and reasonable value.

Total purchases for the period: £57,365,657.

Total sales for the period: £57,933,965.

Financial Statements

Statement of Total Return for the period ended 10 March 2017

	10/03/17		10/03/16	
	£	£	£	£
Income				
Net capital gains		44,974,985		20,456,591
Revenue	5,318,396		3,989,918	
Expenses	(2,362,613)		(1,610,056)	
Interest payable and similar charges	(4,908)		(452)	
Net revenue before taxation	2,950,875		2,379,410	
Taxation	(303,731)		(292,344)	
Net revenue after taxation for the period		<u>2,647,144</u>		<u>2,087,066</u>
Total return before distributions		47,622,129		22,543,657
Distributions		<u>(4,926,987)</u>		<u>(3,630,216)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£42,695,142</u>		<u>£18,913,441</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 10 March 2017

	10/03/17		10/03/16	
	£	£	£	£
Opening net assets attributable to Unitholders		323,345,580		206,344,642
Amounts received on issue of units	10,992,805		46,172,276	
Amounts paid on cancellation of units	(11,244,369)		(5,595,258)	
		(251,564)		40,577,018
Change in net assets attributable to Unitholders from investment activities		42,695,142		18,913,441
Retained distributions on accumulation units	1,460,426		1,066,563	
Unclaimed distributions		—		1,089
Closing net assets attributable to Unitholders		<u>£367,249,584</u>		<u>£266,902,753</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 2017

	10/03/17	10/09/16
	£	£
ASSETS		
Fixed assets:		
Investments	363,679,772	319,650,066
Current assets:		
Debtors	3,833,292	2,714,474
Cash and bank balances	2,977,395	8,554,594
Total assets	370,490,459	330,919,134
LIABILITIES		
Creditors:		
Bank overdrafts	(414,193)	(2,924,214)
Distributions payable	(1,776,585)	(3,880,360)
Other creditors	(1,050,097)	(768,980)
Total liabilities	(3,240,875)	(7,573,554)
Net assets attributable to Unitholders	£367,249,584	£323,345,580

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 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)
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.

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.

Trust Information continued

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.

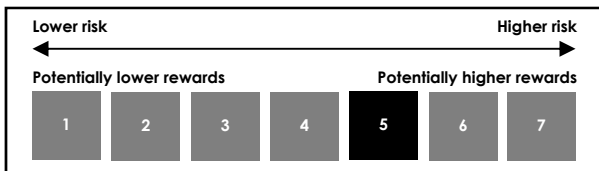
F-Class

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.

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.

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:	E-Class £100,000 R-Class £500 I-Class £1,000,000 F-Class* £500 C-Class† £50,000,000
Minimum monthly contributions:	E-Class N/A R-Class £50 I-Class N/A F-Class* £50 C-Class† N/A
Valuation point:	12 noon
Fund management fees:	E-Class Annual 1.82% R-Class Annual 1.82% I-Class Annual 0.93% F-Class* Annual 1.32% C-Class† Annual 0.75%
Initial charges:	E-Class Nil R-Class 5% I-Class Nil F-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.

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.

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.

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.

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 (appointed 29 June 2016)

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 Limited

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

General Information continued

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**

Legal & General
(Unit Trust Managers) Limited
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