Distribution Number 18

Legal & General Asian Income Trust

Annual Manager's Short Report for the year ended 10 September 2013

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 Index Pacific Basin (excluding Japan), 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. 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 Sep 13	10 Sep 12
E-Class	1.73%	1.73%
R-Class	1.73%	1.73%
I-Class	0.84%	0.84%
F-Class*	1.23%	—

* There are no prior year comparatives for the F-Class which launched on 19 December 2012.

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

Lower risk ← → Higher risk

Potentially lower rewards — Potentially higher rewards

1	2	3	4	5	6	7

- 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 six 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.

Trust Performance

Accounting Date	Net Asset Value Of Trust	Net Asset Value Per Unit	Number Of Units In Issue
10 Sep 11			
E-Class			
Distribution Units	£85,739,400	380.70p	22,521,760
Accumulation Units	£1,667,691	444.41p	375,260
R-Class			
Distribution Units	£983,931	380.70p	258,456
Accumulation Units	£4,466,335	444.41p	1,005,004
10 Sep 12			
E-Class			
Distribution Units	£90,866,679	403.95p	22,494,812
Accumulation Units	£1,716,485	495.98p	346,083
R-Class			
Distribution Units	£1,811,653	403.95p	448,490
Accumulation Units	£5,720,653	495.98p	1,153,403
I-Class*			
Distribution Units	£967	406.30p	238
Accumulation Units	£988	498.99p	198
10 Sep 13			
E-Class			
Distribution Units	£102,262,075	455.21p	22,464,637
Accumulation Units	£2,088,974	582.75p	358,468
R-Class			
Distribution Units	£3,325,046	455.21p	730,437
Accumulation Units	£10,482,718	582.75p	1,798,836
I-Class*			
Distribution Units	£1,452,645	463.70p	313,273
Accumulation Units	£4,870,936	591.12p	824,017
F-Class**			
Distribution Units	£1,060	458.87p	231
Accumulation Units	£34,124	587.64p	5,807

* There are no prior year comparatives for the I-Class which launched on 17 August 2012.

** There are no prior year comparatives for the F-Class which launched on 19 December 2012.

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.

Distribution Information

E-Class

The distribution payable on 10 November 2013 is 7.0988p net per unit for distribution units and 8.9479p net per unit for accumulation units.

R-Class

The distribution payable on 10 November 2013 is 7.0988p net per unit for distribution units and 8.9479p net per unit for accumulation units.

I-Class

The distribution payable on 10 November 2013 is 7.2939p net per unit for distribution units and 9.0630p net per unit for accumulation units.

F-Class

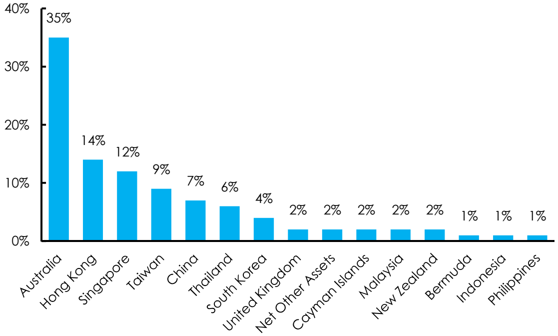
The distribution payable on 10 November 2013 is 7.1558p net per unit for distribution units and 9.0172p net per unit for accumulation units.

Portfolio Information

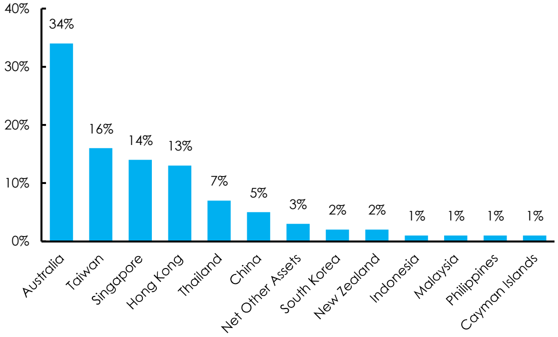
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 10 September 2013		Top 10 Holdings at 10 September 2012	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Australia & New Zealand Banking Group	5.09%	Taiwan Semiconductor Manufacturing	5.53%
Arrium	2.59%	Australia & New Zealand Banking Group	5.15%
Advanced Info Services	2.46%	DBS Holdings	3.04%
SJM Holdings	2.41%	Quanta Computer	2.31%
Rio Tinto	2.33%	BOC Hong Kong	2.28%
Bank of China	2.27%	Advanced Info Services	2.25%
BOC Hong Kong	2.13%	AMP	2.19%
Singapore Technologies	2.03%	Woolworths	2.17%
Myer Holdings	2.00%	Suncorp Metway	2.16%
DBS Holdings	1.98%	Insurance Australia	2.15%

Trust Holdings as at 10 September 2013



Trust Holdings as at 10 September 2012



Unit Price Range and Net Revenue

E-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	382.60p	209.80p	1.9892p
2009	378.40p	226.80p	13.5631p
2010	437.10p	356.10p	16.2163p
2011	434.90p	333.70p	20.1319p
2012	439.30p	366.40p	19.6341p
2013(1)	516.20p	426.30p	19.1177p
Accumulation Units			
2008	386.60p	213.50p	2.0103p
2009	402.80p	230.70p	13.9799p
2010	485.00p	379.40p	17.4137p
2011	489.40p	389.60p	22.5633p
2012	542.70p	431.70p	23.3386p
2013(1)	641.50p	537.30p	23.8221p

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	401.70p	209.80p	1.9892p
2009	397.30p	226.80p	13.5631p
2010	459.00p	356.10p	16.2163p
2011	456.60p	333.70p	20.1319p
2012	461.20p	366.40p	19.6341p
2013(1)	542.00p	426.30p	19.1177p
Accumulation Units			
2008	406.00p	213.50p	2.0103p
2009	422.90p	230.70p	13.9799p
2010	509.20p	379.40p	17.4137p
2011	513.90p	389.60p	22.5633p
2012	569.80p	431.70p	23.3386p
2013(1)	673.60p	537.30p	23.8221p

(1) The above tables show the highest offer and lowest bid prices to 10 September 2013 and the net revenue per unit to 10 November 2013.

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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.

Unit Price Range and Net Revenue continued

I-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012(1)	442.90p	404.50p	7.5420p
2013(3)	522.30p	431.80p	19.3198p
Accumulation Units			
2012(1)	547.10p	491.00p	9.0808p
2013(3)	648.90p	544.00p	24.0022p

F-Class Units**

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012(2)	441.00p	429.90p	—
2013(3)	519.50p	429.40p	16.5237p
Accumulation Units			
2012(2)	545.00p	531.20p	—
2013(3)	645.80p	541.30p	20.6407p

* I-Class units launched on 17 August 2012.

** F-Class units launched on 19 December 2012.

(1) The above table shows the highest offer and lowest bid prices from 17 August 2012 to 31 December 2012.

(2) The above table shows the highest offer and lowest bid prices from 19 December 2012 to 31 December 2012.

(3) The above tables show the highest offer and lowest bid prices to 10 September 2013 and the net revenue per unit to 10 November 2013.

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.

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units rose from 494.60p to 581.70p, an increase of 17.61%. This compares to a rise in the FTSE All-World Asia Pacific (excluding Japan) Index of 14.08% on a total return, Sterling adjusted basis (Source: Bloomberg).

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Market/Economic Review

Global macroeconomics dominated market moves over the review year, which was split, in terms of market performance, between a strong first half of the year and a more volatile second half.

In the early months of the review year, Asian Markets benefited from the improving situation in the US as the federal fiscal crisis was avoided with an eleventh hour agreement. The reduced risk of a further crisis in Europe, following the agreement of bailout terms for Greece was also a noteworthy positive, and sentiment towards risk-based assets, such as Asian equities, improved while inflationary pressures in the region remained subdued. In May 2013, markets became concerned that the US Federal Reserve (Fed) would reduce the level of its Quantitative Easing (QE) program. These concerns were vindicated in June when Fed Chairman Ben Bernanke announced that should the US economy continue on its path towards recovery, the decision would be made to taper the level of QE in the second half of the year. This sparked a slide in risk-based assets (such as equities) that had performed well at the start of the review year, which lasted until the end of June. More reassuring commentary from the Fed about the level of QE, coupled with some softer economic data out of the US, subsequently helped markets to recover towards the end of the review year.

Within Asia, domestic economic policies continued to boost demand, exemplified by property markets in Australia and China, both of which appeared to turn a corner at the start of the year. Interest rate cuts were also prevalent across the region.

On the political front, the once-in-a-decade transition from one leadership generation to the next, took place in China and progressed without incident. In Australia at the start of the year, in-fighting in the Labour party lead to Julia Gillard, the Prime Minister, calling a premature election in September. She was subsequently ousted as leader of the Party by her rival Kevin Rudd ahead of the election, which he duly lost to the Liberal Tony Abbott.

Trust Review

Across the region the search for yield continued and in an environment of severely depressed interest rates and quantitative easing, the Trust's large allocation to Australia was vindicated. Australian consumer confidence picked up and the housing market proved its robustness. High-quality financials, in which the Trust has a significant allocation, also performed well over the review year.

At a stock level, the strongest driver of performance was Taiwan Semiconductor Manufacturing, which continued to benefit from its extremely strong position in the manufacturing of cutting edge semiconductors. The company has been a very strong performer for the Trust but share price appreciation led to a reduction in the yield, so we reduced our holding in quarter one of 2013. Another stock that contributed significantly was Arrium, an Australian steel producer and mining equipment provider. The share price performed well as iron ore prices proved to be more robust than expected and investors began to appreciate the extent and potential of the company's operations beyond producing steel.

On the negative side, HTC and Acer, both of which are Taiwanese technology companies, performed poorly as product demand remained subdued and marketing budgets paled in comparison to their larger rivals.

In terms of activity, transactions were broadly spread and continued to maintain the wide diversification of the Trust. Additions included Rio Tinto, a global mining company which was bought as it reached a decade-low valuation that we saw as a good entry point. We are positive about the company's cost cutting program and feel that fears over China's prospects, which had depressed the share price, are overdone. Myer Holdings, an Australian department store operator which was a beneficiary of improving business confidence and Li & Fung, a global sourcing company for retail buyers, that has restructured its US operations, were both purchased. These additions were funded by the sales of some of the Trust's best long term performers. Taiwan Semiconductor Manufacturing, which is discussed above, was reduced and Insurance Australia, an Australia-based international insurance group, was sold as margin expectations reached their previous peaks.

Outlook

This was a volatile period for Asia's equity markets and the trend could yet continue in the near term. The US Federal Reserve's decision to taper the level of quantitative easing and the prospect of increasing interest rates as economic recoveries in North America and Western Europe take hold are key areas to monitor for investors in the region. Political risks are also prevalent as new leaders start to make an impact in China and Australia and imminent elections loom in Indonesia. In comparison to their western counterparts however, Asian political leaders retain considerable policy levers, particularly in China and Australia. This means that should difficulties arise, affirmative action will be possible.

Despite these macroeconomic and political concerns, underlying profit growth in Asia should continue to be strong and with valuations below long term averages, opportunities to invest in quality companies at attractive entry points remain prevalent. Asian yields have maintained their stability and the culture of shareholder recognition and improving dividend payments is growing, which could help to encourage further dividend progression.

The manager continues to look for quality companies with attractive valuations and robust dividend potential to maximise the total return, both capital and income, provided by the Trust.

Legal & General Investment Management Limited
(Investment Adviser)
4 October 2013

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.

Significant Changes

New Unit Class: F-Class

With effect from 19 December 2012, the Trust launched a new F-Class with distribution and accumulation units available.

F-Class units are only available for investment through a financial adviser.

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

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

Other Information

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

Manager
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Authorised and regulated by the Financial Conduct Authority

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