

Legal & General Asia Pacific Equity Income Fund

Interim Manager's Report
for the period ended
10 March 2023
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to provide income in excess of the income generated by the FTSE Asia Pacific ex-Japan TR Net Index, the “Benchmark Index”, measured before the deduction of any charges and over rolling five year periods, whilst aiming for capital growth over the long term (at least five years). Please note, invested capital is at risk and there is no guarantee that the above will be attained over any time period.

The Fund is actively managed and will invest at least 80% in the shares of companies listed or domiciled in the Asia Pacific region (excluding Japan but including Australia and New Zealand), and in shares quoted on other stock exchanges where the company's principal business activities are in the Asia Pacific region (excluding Japan but including Australia and New Zealand).

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

The Fund 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 Fund is also permitted to receive and hold warrants and convertible bonds as a result of corporate actions.

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

Manager's Investment Report

During the period, the published price of the Fund's R-Class Accumulation units rose by 0.49%. This compares to a fall in the FTSE Asia Pacific (excluding Japan) Index of 4.53% on a total return 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

As many central banks continued to hike interest rates in efforts to curb inflation, a looming recession in many developed countries has been well flagged in equity markets. Although corporate earnings have been partially protected by companies passing through cost inflation, forecasts and management commentaries are beginning to reflect demand weakness and earnings downgrades. Increased financial expenses mean balance sheet management has become more challenging for many leveraged companies. Recent turmoil in the US and European banking sector could lead to further risk aversion and tightening credit conditions.

Asia Pacific equity returns were dominated by huge swings in China and Hong Kong. Extreme bearish sentiment and the massive sell-off post the 20th Party Congress was quickly replaced by hopes of a strong economic recovery as policy pivoted towards reopening. The zero-COVID policy was firmly abandoned, putting China into full-fledged reopening mode. However, in the first quarter of 2023 optimism was tarnished by elevated geopolitical risks and lack of major stimulus packages from the Chinese government's Two Sessions meetings.

Manager's Investment Report continued

Across other major Asian economies, Australia held up relatively well as its resources sector stayed resilient and inflation remained lower than other developed economies. India underperformed, with the Adani Group of Companies falling heavily following a short-selling report, creating concerns over corporate governance and dragging down the Indian market. Absolute valuation in India remains high, given it is the largest high-growth country in Asia. South Korea and Taiwan recovered from their Q4 2022 lows as investors looked beyond the technology sector downcycle and focused on demand recovery in late 2023.

Fund Review

The Fund delivered a positive return over the review period and outperformed the FTSE Asia Pacific ex-Japan TR Net Index.

Strong stock selection in China and Hong Kong was the largest contributor to fund performance during the period. The Fund's limited exposure to the growth theme would have led to massive underperformance amid the reopening rally, but it was well insulated through holdings in reopening proxies like Real Estate, Consumer Staples, Toll Road Operators, Insurance, and Oil and Gas. Macau's gaming sector was a major beneficiary of China's reopening, and the Fund's overweight to Macau benefitted performance. In India, the Fund's low allocation was beneficial amid the Adani turmoil. Conversely, the Fund's holdings in Downer EDI and Star Entertainment Group made negative contributions to performance in Australia.

Sector-wise, Technology returned positively, benefitting from ongoing inventory clearance and the expected recovery in the second half of 2023. The Fund benefitted from its strong selection in Technology. Consumer Discretionary underperformed the broader Index; here, both the Fund's low allocation and strong selection were beneficial. Negative contribution came from our overweight position in Communication Services and underweight position in Materials.

At the individual stock level, the strongest contributors to performance were Macau gaming operators MGM China and Melco Resorts & Entertainment, and Australian airline Qantas. The largest negative contributions came from Australian contractor Downer EDI, Indian tower company Indus Towers, and not-owning Chinese technology giant Tencent.

Manager's Investment Report continued

Outlook

We think China is still in the early stage of its reopening and economic recovery following the end of its zero-COVID policy. Despite some scope for volatility, we are optimistic given China equities are still far below their historical average, and the country's low inflation allows for more growth support while most other major economies are heading into recession. The new government's pro-business stance should also alleviate regulatory pressure in the private sector and accelerate shareholder-friendly state-owned enterprises (SOE) reforms.

We continue to favour Australia for its relatively effective monetary policy, the return of immigration flows, and the long-term commodities upcycle. We remain cautious on India due to high valuations and have become more constructive on South Korea given its exposure to China's reopening and its unique role in technology and electric vehicle supply chains amid global trade frictions. We believe volatility will remain a feature throughout 2023 and still consider Asia as offering attractive structural opportunities for long-term investors despite risks in geopolitics and the global economy.

Legal & General (Unit Trust Managers) Limited
(Investment Adviser)
14 April 2023

Important Note from the Manager

The impacts of COVID-19 across society and business operations have significantly reduced during the course of 2022 following the vaccine roll out and milder strains of the virus coming to the fore. However, the duration of the COVID-19 pandemic and its effects cannot be determined with any certainty. As such, the Manager continues to monitor the COVID-19 pandemic on an on-going basis.

In response to events in Eastern Europe, the Manager is closely monitoring financial markets and any potential liquidity and volatility risks which may have an impact on the Fund.

Legal & General (Unit Trust Managers) Limited
(Investment Adviser)
March 2023

Authorised Status

Authorised Status

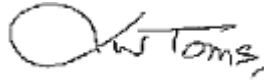
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
3 May 2023

Portfolio Statement

Portfolio Statement as at 10 March 2023

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 10 September 2022.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CHANNEL ISLANDS — 1.87% (2.19%)		
151,384	Amcor	1,369,779	1.87
	NORTH AMERICA — 11.93% (10.59%)		
	Bermuda — 1.61% (1.72%)		
5,693,000	Beijing Enterprises Water Group	1,179,329	1.61
	Cayman Islands — 10.32% (8.87%)		
271,100	Alibaba Group	2,335,660	3.19
1,806,000	China Feihe	1,097,420	1.50
3,339,000	Country Garden	773,272	1.06
77,734	Melco Resorts & Entertainment	812,180	1.11
1,265,950	MGM China	1,170,025	1.60
840,000	Tingyi Cayman Islands	1,167,203	1.59
5,087,973	Yuzhou Group	199,989	0.27
		7,555,749	10.32
	ASIA — 60.31% (57.32%)		
	China — 15.63% (11.75%)		
1,078,000	Anhui Expressway 'H'	881,797	1.20
5,887,339	Bank of China 'H'	1,826,254	2.49
3,852,658	China Construction Bank 'H'	1,997,283	2.73
1,109,833	Daqin Railway	945,336	1.29
646,000	Jiangsu Expressway 'H'	530,483	0.73
5,398,000	PetroChina 'H'	2,477,285	3.38
357,000	Ping An Insurance Group Company of China 'H'	1,953,146	2.67
957,003	Red Star Macalline Group 'H'	364,978	0.50
1,016,500	Sinopec Engineering Group 'H'	468,659	0.64
		11,445,221	15.63
	Hong Kong — 11.05% (11.64%)		
144,500	China Mobile	950,974	1.30
470,000	China Overseas Land & Investment	952,655	1.30
1,076,000	CNOOC	1,303,096	1.78
252,400	Dah Sing Financial	563,077	0.77
2,848,000	Lenovo Group	2,208,626	3.02
86,000	Sun Hung Kai Properties	932,789	1.27
533,200	Swire Properties	1,178,183	1.61
		8,089,400	11.05
	India — 2.75% (3.69%)		
296,490	Embassy Office Parks REIT	914,129	1.25
697,594	Indus Towers	1,102,448	1.50
		2,016,577	2.75
	Indonesia — 1.87% (2.32%)		
6,327,400	Telkom Indonesia Persero	1,369,403	1.87

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Singapore — 5.87% (5.71%)			
118,596	DBS Group	2,421,929	3.31
106,163	United Overseas Bank	1,873,991	2.56
		4,295,920	5.87
South Korea — 9.96% (10.30%)			
19,607	Coway	620,988	0.85
11,355	Hyundai Motor (2nd Preference Shares)	670,647	0.92
12,940	Hyundai Motor (Preference Shares)	762,630	1.04
42,226	KB Financial Group	1,320,088	1.80
149,994	KT	1,449,598	1.98
65,866	Samsung Electronics	2,467,642	3.37
		7,291,593	9.96
Taiwan — 11.49% (10.47%)			
251,000	Catcher Technology	1,250,174	1.71
502,020	Quanta Computer	1,103,179	1.51
627,724	Taiwan Cement	621,921	0.85
392,330	Taiwan Semiconductor Manufacturing	5,433,370	7.42
		8,408,644	11.49
Thailand — 1.69% (1.44%)			
328,600	Bangkok Bank	1,234,818	1.69
PACIFIC BASIN — 23.92% (27.02%)			
Australia — 21.64% (24.57%)			
3,097	BHP Group	76,582	0.11
60,491	BHP Group (DI)	1,518,929	2.08
482,162	Downer EDI	863,550	1.18
126,979	National Australia Bank	2,022,353	2.76
168,294	Orica	1,457,141	1.99
574,681	Qantas Airways	2,058,502	2.81
1,404,626	Scentre Group	2,291,891	3.13
483,393	Star Entertainment Group	387,730	0.53
290,035	Star Entertainment Group Rights	41,428	0.06
479,233	Telstra Group	1,084,728	1.48
299,350	Transurban Group	2,336,954	3.19
124,402	Westpac Banking	1,489,229	2.03
11,491	Woodside Energy Group	213,962	0.29
		15,842,979	21.64
New Zealand — 2.28% (2.45%)			
331,224	Contact Energy	1,259,417	1.72

Portfolio Statement continued

Holding/ Nominal Value	Investment
	New Zealand — (cont.)
175,991	Fletcher Building

Market Value £	% of Net Assets
411,730	0.56
1,671,147	2.28
71,770,559	98.03
1,443,480	1.97
£73,214,039	100.00%

Portfolio of investments¹

Net other assets

Total net assets

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

Total purchases for the period: £7,538,698.26.

Total sales for the period: £2,830,670.29.

Financial Statements

Statement of Total Return for the period ended 10 March 2023

	11/09/22 to 10/03/23		11/09/21 to 17/03/22 ¹	
	£	£	£	£
Income				
Net capital (losses)/ gains		(95,749)		6,139,563
Revenue	1,053,534		3,238,845	
Expenses	(254,001)		(449,706)	
Interest payable and similar charges	—		(47)	
Net revenue before taxation	799,533		2,789,092	
Taxation	(50,659)		(389,155)	
Net revenue after taxation for the period		748,874		2,399,937
Total return before distributions		653,125		8,539,500
Distributions		(1,002,873)		(2,845,809)
Change in net assets attributable to Unitholders from investment activities		£(349,748)		£5,693,691

Statement of Change in Net Assets attributable to Unitholders for the period ended 10 March 2023

	11/09/22 to 10/03/23		11/09/21 to 17/03/22 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		69,156,547		242,425,916
Amounts received on issue of units	11,045,715		14,477,991	
Amounts paid on cancellation of units	(7,418,114)		(47,140,322)	
		3,627,601		(32,662,331)
Change in net assets attributable to Unitholders from investment activities		(349,748)		5,693,691
Retained distributions on accumulation units		779,614		2,354,347
Unclaimed distributions		25		327
Closing net assets attributable to Unitholders		£73,214,039		£217,811,950

¹ The Fund's interim accounting date was moved to 17 March 2022 in order to facilitate the partial transfer of unitholder administration

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 2023

	10/03/23 £	10/09/22 £
ASSETS		
Fixed assets:		
Investments	71,770,559	67,167,020
Current assets:		
Debtors	615,278	804,148
Cash and bank balances	1,294,088	2,562,500
Total assets	73,679,925	70,533,668
LIABILITIES		
Creditors:		
Bank overdrafts	–	(804,707)
Distributions payable	(112,715)	(378,432)
Other creditors	(353,171)	(193,982)
Total liabilities	(465,886)	(1,377,121)
Net assets attributable to Unitholders	£73,214,039	£69,156,547

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) and amended in June 2017.

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, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity in its assessment of the Fund's ability to meet its liabilities as they fall due for at least the twelve month period from the date the financial statements are signed. Based on this assessment, the Manager deems the basis of preparation appropriate.

Fund 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	652,668	139,527	467.77
Accumulation Units	883,126	98,728	894.50
F-Class			
Distribution Units	5,388	1,092	493.41
Accumulation Units	1,199	127	943.06
I-Class			
Distribution Units	8,908,583	1,739,644	512.09
Accumulation Units	40,761,484	4,171,231	977.21
C-Class			
Distribution Units	6,103,238	8,888,349	68.67
Accumulation Units	4,146,663	4,418,056	93.86
L-Class			
Accumulation Units	11,751,690	21,160,692	55.54

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 23	10 Sep 22
R-Class	1.48%	1.49%
F-Class	1.08%	1.09%
I-Class	0.83%	0.84%
C-Class	0.65%	0.66%
L-Class	0.06%	0.07%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

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.

Fund Information continued

Distribution Information

R-Class

The distribution payable on 10 May 2023 is 3.3676p per unit for distribution units and 6.3939p per unit for accumulation units.

F-Class

The distribution payable on 10 May 2023 is 3.5455p per unit for distribution units and 6.7327p per unit for accumulation units.

I-Class

The distribution payable on 10 May 2023 is 3.6837p per unit for distribution units and 6.9790p per unit for accumulation units.

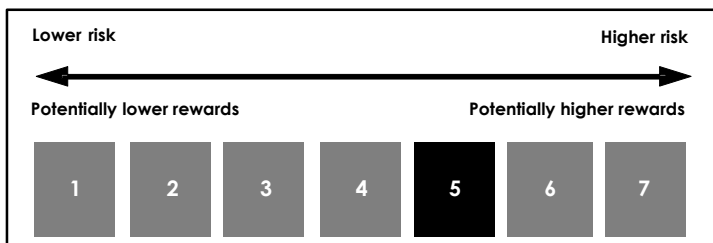
C-Class

The distribution payable on 10 May 2023 is 0.4938p per unit for distribution units and 0.6701p per unit for accumulation units.

L-Class

The distribution payable on 10 May 2023 is 0.3962p per unit for accumulation units.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Fund 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 Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund 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 fund 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
I-Class	£1,000,000
C-Class*	£50,000,000
L-Class**	£100,000

Minimum monthly contributions:

R-Class	£20
I-Class	N/A
C-Class*	N/A
L-Class**	N/A

Valuation point:

12 noon

Fund Management Fees:

R-Class	Annual 1.48%
F-Class***	Annual 1.08%
I-Class	Annual 0.83%
C-Class*	Annual 0.65%
L-Class**	Annual 0.06%

Initial charges:

Nil for all existing unit classes

- * 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.
- *** Class F units are closed to new subscriptions.

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 9:00am to 5:00pm, 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.

General Information continued

ISA Status

This Fund 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.

Notifiable Change

Prospectus Updates

Following a review, the Risk Factors section of the Prospectus (including the Table of Fund specific risks) was updated on 30 December 2022.

With effect from 16 March 2023, the Prospectus was updated for the following:

To introduce wording to allow for the compulsory conversion or cancellation of units and to clarify the circumstances in which redemptions, conversions or cancellations may be carried out.

To introduce revised wording confirming the Trust may not be offered or sold to in the United States of America or held by U.S. Persons and that the compulsory redemption provisions as set out in the Prospectus will apply accordingly to any such U.S. Person.

To introduce wording to reflect the treatment of unclaimed distributions and client money.

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

M. M. Ammon
A. D. Clare* (resigned 15 November 2022)
E. Cowhey*
A. J. C. Craven
D. J. Hosie*
R. R. Mason
L. W. Toms

*Non-executive Director

Secretary

J. McCarthy
One Coleman Street,
London EC2R 5AA

Registrar

Legal & General (Unit Trust Managers) Limited
Brunel House,
2 Fitzalan Road,
Cardiff CF24 0EB
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 Investor Services Limited
Trustee and Depositary Services
50 Bank Street,
Canary Wharf,
London E14 5NT
Authorised and regulated by the Financial Conduct Authority

Independent Auditor

KPMG LLP
319 St Vincent Street,
Glasgow G2 5AS

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,
London EC2R 5AA
www.legalandgeneral.com

