

- **INVESTMENT INVOLVES RISKS. The value of the Fund can be volatile and investors may not get back the amount originally invested. Past performance is not indicative of future results.**
- The Fund is a sub-fund of Legg Mason Global Funds plc, an open-ended umbrella investment company constituted in Ireland. The Fund's primary aim is to provide a high level of income with a secondary aim of generating long-term capital appreciation. The Fund seeks to achieve its objective by investing in a diversified portfolio of equity and equity-related securities including energy-oriented income producing companies and real estate investment trusts. The Fund may invest in issuers of any market capitalisation.
- Investors will be exposed to equity market, debt securities, credit, custody and settlement, liquidity and currency risks.
- The Fund may invest in emerging markets which involve special risks, including liquidity, volatility, currency, political, economic, legal and regulatory risks.
- Securities of smaller companies generally are less liquid and more volatile than those of larger companies; and smaller companies generally are more likely to be adversely affected by poor economic or market conditions.
- Investments in Master Limited Partnerships and/ or Business Development Companies may be relatively illiquid, and may be more adversely affected by changes in economic or other conditions which could cause a substantial loss to the investments held by, hence the value of, the Fund.
- The Fund may invest in below investment grade/ unrated securities, which carry a higher degree of pricing volatility, market, counterparty default and liquidity risks.
- The Fund may use certain types of financial derivative instruments for hedging purposes, which may involve a higher degree of risk including but not limited to counterparty, volatility, liquidity, leverage and valuation risks, and the Fund may suffer a substantial loss.
- The Fund may invest in Real Estate Investment Trusts which involves additional risks.
- The directors of Legg Mason Global Funds Plc may at their discretion pay dividends out of capital of a Distributing Plus Share Class. The payment of dividends out of capital effectively amounts to a return or withdrawal of an investor's original capital investment or of capital gains attributable to that original investment. Such distribution will result in a corresponding immediate decrease in the Net Asset Value per share of these Share Classes.
- Investors should not invest based on this marketing material alone. Offering documents should be read for further details, including the risk factors.

Legg Mason ClearBridge Tactical Dividend Income Fund

Fund performance

Cumulative (%) ¹	3-Month	YTD	1-Year	3-Year	5-Year	Since inception
Class A Acc. (USD)	-9.41	-6.80	-6.80	10.21	-4.88	3.20
Rolling 12-month performance (%)¹ – period ending	31.12.18	31.12.17	31.12.16	31.12.15	31.12.14	31.12.14
Class A Acc. (USD)	-6.80	7.28	10.23	-15.17	1.74	

Monthly review

What happened in the market? The U.S. equities market fell in December, as slowing global growth, exacerbated by escalating trade tensions with China and rising short-term interest rates, raised concerns about the sustainability of the U.S.'s robust domestic economy. Weaker-than-expected economic data from China and Europe, including slowing industrial production and retail sales in China and lowered economic growth forecasts by the European Central Bank, dampened investor sentiment on global growth. At the same time, while the U.S. and China reached a 90-day tariff truce early in December, the prospect of longer negotiations and delayed clarity on long-term policy loomed, also weighing on sentiment. Market volatility continued to rise for the third straight month and the VIX volatility index peaked above 35 in late December.

What happened in the Fund? The Fund posted a negative return year-to-date. In December, on an absolute basis, the Fund's allocation to all 11 sectors generated a negative contribution to returns. The energy sector was the largest detractor from absolute performance during the month, whereas the consumer discretionary and consumer staples sectors were the least negative for returns in December. On an individual stock basis, Microsoft, Targa Resources and Genesis Energy LP were the largest detractors from returns. In contrast, Tallgrass Energy LP, Broadcom and PBF Logistics LP were the top contributors to results during the month.

What did the portfolio manager do? There were no notable changes to the portfolio during the month. The Energy (including master limited partnerships), Information Technology and Real Estate sectors constituted an average of about 56% of the Fund's assets during the month, whereas the Financials, Health Care and Industrials sectors accounted for approximately 21%. The Fund's smallest exposure was in the Consumer Discretionary sector.

What is the outlook? The manager remains cautiously positive about the outlook for the U.S. equity market, although they are vigilantly watching the increase in market volatility. The manager expects earnings results for the fourth quarter of 2018 to be solid, as the U.S. continues to generate good economic growth. That being said, the manager believes the pace of growth will moderate in 2019. The manager also continues to monitor the risks of a global trade war, which would be negative for global equity markets. There is no change in the manager's view that focusing on companies with sound or improving balance sheets, attractive current dividend yields and dividend growth potential is a sound course in the current environment. The manager remains steadfast in its belief that the U.S. renaissance in energy production represents a secular growth opportunity and is attractive for the long-term investor. In the

Investment Aim: The Fund seeks to achieve its objective by investing in a diversified portfolio of equity and equity-related securities including energy-oriented income producing companies and real estate investment trusts. The Fund may invest in issuers of any market capitalisation.

FOR PUBLIC IN HONG KONG AND DISTRIBUTORS IN MACAU USE ONLY. PLEASE REFER TO THE IMPORTANT INFORMATION ON THE FINAL PAGE.

manager's assessment, energy production in the U.S. remains in a good position to increase over time. In the short and medium terms, growth of hydrocarbon production has continued to increase, a result of a rising U.S. rig count and oil prices that are profitable for most producers. In the manager's opinion, the recent and swift decline in oil prices will likely lead to a renewed OPEC (Organization of the Petroleum Exporting Countries) agreement, along with Russia, to reduce production. The manager believes the MLP industry is becoming more mature, as evidenced, for example, by eliminations or reductions in onerous incentive distribution rights and simplified ownership structures. In the manager's assessment, many energy infrastructure companies and MLPs remain attractively priced and are well positioned in the portfolio, which owns good-quality energy companies that they believe can thrive in the long term. Elsewhere, the manager continues to be modestly optimistic about the outlook for the U.S. real estate investment trust ("REIT") market. A slowdown in the pace of Federal Reserve Board interest rate hikes may help REIT performance in 2019, provided the economy doesn't slow down too much. The manager expects REIT earnings growth to be fair in the fourth quarter of 2018 and in 2019. Real estate fundamentals continue to be sound overall and, overall, in the manager's opinion, REITs are currently trading at moderately attractive valuations.

This Fund is managed by ClearBridge Investments

¹ Source: Legg Mason, as of 31 December 2018. Class A Acc USD performance is net of fees and is calculated on a NAV to NAV basis (USD). Performance for periods greater than one year is cumulative. Performance is based on reinvestment of any income and capital gains distribution derived from securities held in the Fund. Class A Acc USD calendar year net of fees performance for year-to-date (-6.80%), 2018 (-6.80%), 2017 (7.28%), 2016 (10.23%), 2015 (-15.17%) and 2014 (1.74%). Inception date: 13 August 2013. On 27 March 2015 the Legg Mason ClearBridge US Fundamental Value Fund merged into the Legg Mason ClearBridge Tactical Dividend Income Fund. There is no Fund benchmark. **Investment involves risks. Past performance is not indicative of future results.**

IMPORTANT INFORMATION

The mention of any individual securities/funds should neither constitute nor be construed as a recommendation to purchase or sell securities, and the information provided regarding such individual securities/funds is not a sufficient basis upon which to make an investment decision.

Source: Legg Mason and ClearBridge Investments. This document is for information only and does not constitute a financial promotion or other financial, professional or investment advice in any way. All data, opinions, estimates and other information are provided as of the date of this document and may be subject to change without notice. Where past performance is quoted, such figures are not indicative of future performance. This document does not constitute an offer or solicitation to buy or sell any units or shares in any fund. **INVESTMENT INVOLVES RISKS.** The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. Please refer to the most current offering documents for further details, including the risk factors.

If this document is distributed in Macau, this may not be used other than by the Distributors.

Any views expressed are opinions of the respective investment affiliates as of the date of this document and are subject to change without notice based on market and other conditions and may differ from other investment affiliates or of the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of future results or investment advice. The mention of any individual securities should neither constitute nor be construed as a recommendation to purchase or sell securities, and the information provided regarding such individual securities is not a sufficient basis upon which to make an investment decision.

Exchange rate changes may cause the value of overseas investments to rise or fall. Where the Fund's base currency is not US/HK Dollars, US/HK Dollar-based investors are exposed to exchange rate fluctuations.

Neither Legg Mason nor any officer or employee of Legg Mason accepts any liability whatsoever for any loss arising from any use of this document or its contents. The information in this document is confidential and proprietary and may not be used other than by the intended user. This document may not be reproduced, distributed or published without prior written permission from Legg Mason.

This document has not been reviewed by the Securities and Futures Commission in Hong Kong or Monetary Authority of Macao in Macau.

Issuer: Legg Mason Asset Management Hong Kong Limited.

HK1901011