

- **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 (%) <sup>1</sup>	3-Month	YTD	1-Year	3-Year	5-Year	Since inception
<b>Class A Acc. (USD)</b>	<b>5.25</b>	<b>2.88</b>	<b>4.97</b>	<b>22.38</b>	<b>13.70</b>	<b>13.92</b>
<b>Rolling 12-month performance (%)<sup>1</sup> – period ending</b>	<b>30.09.18</b>	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.15</b>	<b>30.09.14</b>	<b>30.09.14</b>
<b>Class A Acc. (USD)</b>	<b>4.97</b>	<b>5.13</b>	<b>10.89</b>	<b>-16.43</b>	<b>11.18</b>	

## Monthly review

**What happened in the market?** U.S. equities delivered positive returns in September, capping off a very strong third quarter. Investors shrugged off disruptions from escalating trade disputes and instead focused on economic strength and earnings growth. The S&P 500 Index rose 0.57% during the month in U.S. dollar terms and 7.71% during the third quarter. September's performance was led by strong contributions from the health care and industrials sectors, while financials and communication services (formerly "telecommunication services") lagged. Growth stocks modestly outperformed value stocks, with the Russell 1000 Growth Index and Russell 1000 Value Index gaining 0.56% and 0.20%, respectively, in September. As expected, the Federal Reserve Board ("Fed") raised the federal funds rate at its September meeting to a target rate of 2.00%-2.25%. Yields on long-term U.S. government bonds rose over the month in concert with expectations for the Fed's rate hike.

**What happened in the Fund?** The Fund posted a positive return year-to-date. In September, on an absolute basis, the Fund's allocation to six of the 11 sectors were additive to performance. The health care and industrials sectors were the largest contributors to results. Conversely, the materials sector was the main detractor from absolute returns. The Fund's performance reflects the recent expansion of the telecommunication services sector – which was renamed as the "communication services" sector – to include companies from the consumer discretionary and information technology sectors. In terms of individual holdings, the Fund's positions in Lockheed Martin, Qualcomm, Pfizer, Microsoft and Merck were the largest contributors to performance in September. In contrast, the Fund's positions in Williams Companies, DowDuPont, Western Gas Equity Partners LP, Microchip Technology and Weyerhaeuser were the largest detractors from results.

**What did the portfolio manager do?** During the month, the Fund initiated a position in information technology company Broadcom. Elsewhere, the Fund's convertible units of NextEra Energy converted at maturity into common shares, which were retained in the portfolio.

**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.

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**What is the outlook?** The manager remains positive about the outlook for the U.S. equity market. Earnings results for the remainder of 2018 should be strong, as the U.S. continues to generate solid economic growth. The manager is monitoring the potential impact of a global trade war, although the risks appear to be receding somewhat with the recent announcement of a revised North American Free Trade Agreement (NAFTA). 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 manager's assessment, energy production in the U.S. remains in a good position to increase over time. In the manager's view, the master limited partnership (MLP) industry is becoming more mature, as evidenced, for example, by eliminations or reductions in onerous incentive distribution rights (IDRs), 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 moderately optimistic about the outlook for the U.S. real estate investment trust (REIT) market. The manager expects REIT earnings growth in the second half of 2018 to be respectable but unspectacular. However, real estate fundamentals may benefit from the increased strength in the U.S. economy. In the manager's view, REIT valuations are moderately attractive at current levels.

## This Fund is managed by ClearBridge Investments

<sup>1</sup> Source: Legg Mason, as of 30 September 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 (2.88%), 2017 (7.28%), 2016 (10.23%), 2015 (-15.17%), 2014 (1.74%), 13 August 2013 (share class inception date) to 31 December 2013 (8.50%). 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.**

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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.

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