

- **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 seeks to achieve long-term capital appreciation principally through investing in securities of U.S. issuers that the Investment Manager believes to be undervalued in relation to their intrinsic value.
- Investors will be exposed to equity market, US markets, concentration, custody and settlement, currency and debt securities risks.
- In light of the investment style of the Fund, the Fund may face the risk of mis-estimation by the Investment Manager in its fundamental analysis regarding the companies in which the Fund invests. The performance of the Fund may not closely correlate to specific market indices over time and may include extended periods of underperformance as compared to the broader market.
- 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 Value Fund

Performance to 31.07.2017 ¹		3 Months	YTD	1 Year		
Legg Mason ClearBridge Value Fund		4.24%	8.05%	14.42%		
Benchmark: S&P 500 Index		4.14%	11.59%	16.04%		
Rolling 12-month performance ¹ – period ending		31.07.17	31.07.16	31.07.15	31.07.14	31.07.13
Fund	14.42%	-1.14%	7.16%	16.24%	32.49%	
Benchmark	16.04%	5.61%	11.21%	16.94%	25.00%	

Monthly review

What happened in the market? US equity markets ratcheted higher for the ninth straight month in July, adding to the year's already significant gains, despite a short-lived sell-off immediately following the July 4 holiday. Growth stocks regained their advantage over value stocks, with the benchmark Russell 3000 Growth Index (+2.52%) outperforming its value counterpart by 124 basis points. Equities were boosted by second-quarter corporate earnings that have mostly exceeded expectations, as well as generally positive economic data. The first estimate for second quarter annualized Gross Domestic Products (GDP) growth came in at 2.6%, an improvement over the final GDP reading of 1.2% for the first quarter and a pace that indicated a continuation of a slow, steady expansion. The unemployment rate ticked up to 4.4% in June but remained near a decade low while hiring strengthened, with employers adding 222,000 jobs. Consumer sentiment, meanwhile, fell slightly in July according to the University of Michigan, as consumers' feelings about their current economic situation hit a 12-year high while expectations for the future fell to their lowest level since before the election. Oil prices reversed their year to date slide, rising 8%.

What happened in the Fund? In July, sector allocation detracted and stock selection enhanced relative return, but neither had a significant impact overall. While stock selection in the Health Care sector was notably positive, this was largely cancelled out by negative choices in Industrials and Information Technology.

What did the portfolio manager do? The fund reduced its holdings in a large luxury clothing firm while adding a new position in a large US automotive parts retailer. The managers believe that the fund's holdings in mega-cap technology firms will continue to benefit from the combination of innovation and scaling advantages, but are prepared to trim positions if investor exuberance drives prices to what they feel are unsustainable levels.

What is the outlook? At the current stage of the market cycle, the managers observe that capital, driven in part by rise of passive and quantitative strategies, continues to concentrate in a relatively limited universe of stocks – while macro and political events that might earlier have sparked concern among investors are largely taken in stride. The result is an environment where a sceptical view of the current pricing is all the more important. The key, in their view, is to have the process discipline to correctly frame an argument for mispriced stocks that may be oversold by the crowd based on a negative narrative that is either exaggerated or already more than fully baked into the price.

Attribution (YTD) ²	Active Return (%)
Consumer Discretionary	-0.03
Consumer Staples	0.18
Energy	-0.19
Financials	-0.71
Health Care	-0.46
Industrials	-0.86
Information Technology	-1.33
Materials	0.39
Real Estate	0.57
Telecommunications	0.44
Utilities	-0.05
Cash	-0.25

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This Fund is managed by ClearBridge Investments

¹ Source: Legg Mason, as of 31 July 2017. Class A Acc USD performance is net of fees and is calculated on a NAV to NAV basis (USD). 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 (8.05%), 2016 (11.07%), 2015 (-4.63%), 2014 (11.85%), 2013 (35.61%) and 2012 (13.66%). Benchmark: S&P 500 Index. **Investment involves risks. Past performance is not indicative of future results.**

² The attribution figures are based on the Fund's holding and do not reflect fees or expenses of the Fund.

IMPORTANT INFORMATION

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