

■ **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

QUICK VIEW

Key performance drivers

- The Fund increased 2.28%¹ year-to-date and underperformed its benchmark, the S&P 500 Index, which rose 8.66% in US dollar terms.
- Stock-picking detracted in healthcare consumer discretionary, but contributed in utilities and materials.
- Underweight exposure to information technology (IT) was detrimental.

Views and positioning

- At the end of May, the largest overweight allocations were in financials, utilities and consumer discretionary.
- The largest underweights were in consumer staples, IT and telecommunication services.

Current activity and manager outlook

- The manager remains cautiously positive on both the economy and equity markets, despite what it believes are relatively high valuations.

Performance ¹ to 31.05.17	3 Months		YTD	1 Year	
Legg Mason ClearBridge Value Fund	-1.88%		2.28%	10.30%	
S&P 500 Index	2.57%		8.66%	17.47%	
Rolling 12-month performance ¹	31.05.17	31.05.16	31.05.15	31.05.14	31.05.13
Fund	10.30%	-4.26%	10.19%	20.48%	28.97%
Benchmark	17.47%	1.72%	11.81%	20.45%	27.28%

Past performance is no guide to future returns and may not be repeated.

Market Review

Stocks recovered from a mid-month sell-off to finish mostly higher in May. The S&P 500 Index gained 1.41%, the Russell Midcap Index advanced 0.91%, while the Russell 3000 Index added 1.02%. Growth stocks outperformed value stocks for the third straight month, with the Russell 3000 Growth Index gaining 2.34%, compared to a 0.34% loss for the Russell 3000 Value Index. The appointment of a special counsel on May 17 to investigate President Trump's ties to Russia sparked the year's biggest sell-off for stocks, with the S&P 500 declining 1.8%. However, markets quickly rebounded, with both the S&P 500 and the NASDAQ Composite (up 2.7% for the month) finishing May at all-time highs. Volatility, which spiked nearly 50% following the announcement of the investigation, quickly retreated, with the CBOE Volatility Index touching a decade low late in the month. Information technology (IT) was the best-performing sector in the S&P 500 Index. Investors have returned to mega-cap technology stocks, as optimism about Trump's pro-growth agenda of tax cuts, deregulation and fiscal spending has waned.

Fund Review

The Fund rose 2.28%¹ year-to-date, underperforming its benchmark (S&P 500 Index), which was up 8.66% in US dollar terms.

In May, stock-picking in healthcare detracted most, in particular Alexion Pharmaceuticals, Allergan and Celgene. Selection in consumer discretionary was also detrimental, notably Signet Jewelers, Ralph Lauren and Lowe's Companies. Stock selection in utilities (Calpine Corporation and Exelon) and materials (Royal Gold) was beneficial, however.

Sector-wise, underweight allocation to information technology (IT), the best-performing segment in May, weighed on relative returns. Overweight exposure to utilities, the second-best-performing sector, countered these losses a little, however.

At the end of the month, the Fund's largest overweight allocations were in financials, utilities and consumer discretionary. The largest underweights were in consumer staples, IT and telecommunication services.

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Legg Mason ClearBridge Value Fund

Outlook

The manager remains cautiously positive on both the economy and equity markets, despite what it believes are relatively high valuations. In the manager's view, it is important to make a distinction between legislation, which may take months or years fully to take effect, and a more business-friendly environment brought on by easing regulatory burdens, which could have a more immediate impact. Despite uncertainty regarding specific legislative items, deregulation and continued economic growth are themes that have driven returns over the last quarter and a half, and the manager believes these could continue to do so going forward. This may be particularly relevant for companies within the financials, media and energy sectors.

This Fund is managed by ClearBridge Investments

¹ Source: Legg Mason, as of 31 May 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 (2.28%), 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.**

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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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