LEGG MASON
GLOBAL ASSET MANAGEMENT

- **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 provide long-term capital appreciation by investing at least two-thirds of its Net Asset Value in shares of companies domiciled in or conducting a predominant portion of their economic activities in one or more Asian countries which are listed in the prospectus as well as Australia and New Zealand. In addition, the Fund may, from time to time, invest in shares of companies domiciled in Pakistan and Sri Lanka.
- Investors will be exposed to equity market, Asia markets, concentration, currency, custody and settlement and debt securities risks.
- The Fund may use certain types of financial derivative instruments, 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 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.
- 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 QS MV Asia Pacific ex Japan Equity Growth and Income Fund

Fund performance

Cumulative (%)[1]	3-Month	YTD	1-Year	3-Year	5-Year	Since inception
Class A Acc. (USD)	**8.23**	**6.88**	**-7.06**	**41.21**	**37.44**	**46.03**
Benchmark: MSCI AC Asia Pacific ex Japan Index (Net Dividends)	8.94	7.29	-13.46	46.53	37.01	72.43

Rolling 12-month performance (%)[1] – period ending	31.01.19	31.01.18	31.01.17	31.01.16	31.01.15
Class A Acc. (USD)	**-7.06**	**29.51**	**17.32**	**-13.89**	**13.03**
Benchmark	-13.46	38.17	22.55	-17.32	13.09

Monthly review

What happened in the market? The Pacific Rim performed in line with other global regions in January; the MSCI AC Asia Pacific ex Japan Index (Net Dividends) returned 7.3% in U.S. dollars. Market optimism developed early in the year; trade tensions gave way to hope on news that the U.S.-China trade talks would continue, and relative U.S. dollar weakness boosted returns. The region's emerging markets generally outperformed, led by Pakistan, China and South Korea, with returns of 16.4%, 11.1% and 10.3%, respectively. Despite the strong monthly returns, the latter two markets, China and South Korea, continue to see contraction in manufacturing in the face of expected diminished growth in worldwide trade over the near term, but business optimism remains positive. The central banks of both countries have indicated they will take steps to bolster the business environment. For China, that appears to mean slowing down reforms meant to reduce personal and government debt and possibly cutting taxes, rather than active stimulus. South Korea probably will not raise interest rates, and it may "walk back" the November 2018 hike. Of the other large markets, Australia slightly underperformed but its commodity sectors had double-digit gains, while Hong Kong was the only developed market in the region to outperform the Index. Taiwan lagged, with a return of 1.7%; business indicators fell more sharply than the other large markets; that government is also considering ways to improve its business outlook, including making more land available for industrial use. India was the only market in the Asia Pac ex-Japan Index in negative territory, with a return of -1.9%, despite having strong expected growth.

What happened in the Fund? The Fund underperformed the benchmark year-to-date amid a sharp market rally. Across markets, in January, stock selection was weak in China, South Korea and Hong Kong, while selection added value in India, Taiwan and Malaysia. Country allocation results were overall flat; the underweight in China was a large detractor, but that was offset by the underweight in India, which added value. Across sectors, stock selection detracted mainly in communication services and consumer discretionary, while selection in consumer staples and energy benefited the portfolio. Sector allocations detracted, chiefly due to the overweight in the utilities sector, though allocations had a positive effect across eight of the 12 sectors.

What did the portfolio manager do? Across markets, the Fund's largest moves in January were to reduce the overweights in Hong Kong and New Zealand, and to increase the overweight to Malaysia. Across sectors, the Fund increased the overweight to consumer staples, reduced the overweights to industrials and utilities, and increased the underweight to consumer discretionary.

Investment Aim: The Fund seeks to provide long-term capital appreciation by investing at least two-thirds of its Net Asset Value in shares of companies domiciled in or conducting a predominant portion of their economic activities in one or more Asian countries which are listed in the prospectus as well as Australia and New Zealand. In addition, the Fund may, from time to time, invest in shares of companies domiciled in Pakistan and Sri Lanka.

What is the outlook? Global equity markets rose almost uniformly in January, after the steep market correction in the fourth quarter of 2018. With recent gains, valuations in the U.S. appear stretched, while international markets appear more attractively priced. Despite solid performance, emerging markets continue to face a growing number of pressures, including trade tensions, widening interest rate differentials, and turbulent commodity and currency fluctuations. We believe that our well-diversified, disciplined strategy is positioned to benefit in this environment.

This Fund is managed by QS Investors, LLC

[1] Source: Legg Mason, as of 31 January 2019. 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. Inception date: 9 May 2007. Class A Acc USD calendar year net of fees performance for year-to-date (6.88%), 2018 (-6.28%), 2017 (24.95%), 2016 (8.45%), 2015 (-8.52%) and 2014 (5.01%). On 27 August 2010 the Legg Mason Asia Pacific (ex Japan) Fund merged into the Legg Mason QS MV Asia Pacific ex Japan Equity Growth and Income Fund. On 13 May 2015, 24 August 2016 and 30 November 2017, the investment objective, policy and/or restrictions were changed. Benchmark: MSCI AC Asia Pacific ex Japan Index (Net Dividends). Prior to 13 May 2015, the benchmark was MSCI AC Asia ex Japan Index (Net Dividends). **Investment involves risks. Past performance is not indicative of future results.**