

- **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 maximise total return through income and capital appreciation by investing at least 70% of its Net Asset Value in debt securities issued by Asian issuers and in derivatives on Asian interest rates and currencies.
- Investors will be exposed to debt securities (including risks of Government securities), interest rate, credit, liquidity, concentration, currency, Asian market, custody and settlement and China market risks.
- The Fund may be invested in 'non-investment grade' debt securities, which carry a higher degree of counterparty default and liquidity risks.
- The Fund may invest in mortgage-backed securities and asset-backed securities, which may give rise to higher liquidity, credit, counterparty and interest rate risks.
- The Fund may use certain types of financial derivative instruments ("FDIs") extensively for investment and other non-hedging purposes, which may involve a higher degree of risk such as counterparty, volatility, liquidity, leverage and valuation risks. The Fund may suffer a total or significant loss arising from the extensive use of FDIs.
- The Fund may invest in emerging markets which involve special risks, including liquidity, volatility, currency, political, economic, legal and regulatory 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 Western Asset Asian Opportunities Fund

Fund performance

Cumulative (%) ¹	3-Month	YTD	1-Year	3-Year	5-Year	Since inception
Class A Acc. (USD)	7.85	1.93	-3.03	11.65	11.49	47.73
Benchmark: Markit iBoxx Asian Local Bond Index ²	6.99	1.92	0.14	14.21	17.24	52.81

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)	-3.03	10.74	3.97	-6.12	6.37
Benchmark	0.14	10.04	3.65	-4.28	7.24

Monthly review

What happened in the market? Asian credit markets began the year on a strong note. The JPMorgan Asia Credit Index and the JACI NONFINS CORP Index posted their strongest monthly returns since June 2016. On a sector basis, and beginning with Asian financials, Korean insurer subordinated paper staged a comeback after several months of underperformance. There were also strong results from Indian, Filipino and Indonesian financial senior paper. During the month, there was US\$13.9 billion of Asian investment-grade/corporate financial issuances, which was down 24% on a year-over-year basis. However, the geographical distribution of the newly printed bonds was quite widespread, with Indian, Chinese, Korean, Filipino, Hong Kong, Thai and Indonesian issuers accounting for 23%, 19%, 15%, 11%, 8%, 7% and 6% of total issuances, respectively. The Markit iBoxx Asian Local Bond Index also generated strong results in January, as emerging market bonds recovered on the back of positive risk sentiment. Asian emerging market local bonds strengthened, led by both U.S. Treasury gains and Asian currency strength. The strongest performers were Philippines and China offshore. In addition, most Asian currencies posted gains, led broadly by the strengthening of the Indonesia rupiah, partially driven by strong offshore investor inflows.

What happened in the Fund? The Fund slightly outperformed its benchmark year-to-date, led by yield curve flattening in developed markets and positive risk sentiment across emerging markets. The Fund's marginally broad overweight positioning was positive, with differentiated moves in the local markets benefiting the portfolio. Overweights in higher-yielding markets, such as India, Indonesia and the Philippines, were additive for returns, as was a tactical underweight in high U.S. Treasury beta markets such as Singapore and Hong Kong. On the downside, underweights in Thailand and Malaysia detracted from returns. Asian currencies were stronger versus the U.S. dollar. Against this backdrop, structural overweights in the Indonesian rupiah and offshore Chinese yuan were rewarded. Elsewhere, an overweight in U.S. dollar-denominated Asian investment-grade credit continued to pay off from a carry perspective. Credit spreads were tighter for the month, supporting the Fund's high-quality bias in credit selection.

What did the portfolio manager do? There were no significant changes to the portfolio during the month.

What is the outlook? The start of the year was marked by weakness in leading indicators across the globe, specifically in developed markets. The ISM Manufacturing Production Index slid from 59.3 to 54.1 in December. A drop of this magnitude has only been seen four times since 1980, three of which took place when the economy was in recession. The latest International Monetary Fund projections show that the U.S. economy is likely to slow 0.3% in 2019, while emerging market economies are projected to slow 0.1%,

Investment Aim: The Fund seeks to maximise total return through income and capital appreciation by investing at least 70% of its Net Asset Value in debt securities issued by Asian issuers and in derivatives on Asian interest rates and currencies.

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with much of this attributed to moderating growth in China. At the margin, the manager believes this should support undervalued emerging market currencies versus the relatively overvalued U.S. dollar. Labor markets in China remain a key indicator of both downside risks and significant policy actions by Chinese officials. Further weakness in labor markets and downward pressure on wages are rising. Against this backdrop, the manager believes the government will take preemptive measures to manage expectations of job stability, coupled with stimulus measures to cushion negative growth shocks. Meanwhile, in the manager's view, southern Asia is in better cyclical shape given its relatively low exposure to the technology/semiconductor down cycle and the broader headwinds from China. Meanwhile, lower oil prices could help counteract the recent tightening in financial conditions across the region. Inflation pressures, already remarkably subdued in most of Asia, are likely to ease further. With lower price pressures, the manager feels that central banks have less need to further hike interest rates.

This Fund is managed by Western Asset Management

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: 2 July 2008. Class A Acc USD calendar year net of fees performance for year-to-date (1.93%), 2018 (-3.66%), 2017 (11.59%), 2016 (1.88%), 2015 (-4.90%) and 2014 (3.40%). Benchmark: Markit iBoxx Asian Local Bond Index. **Investment involves risks. Past performance is not indicative of future results.**

² Benchmark: Markit iBoxx Asian Local Bond Index since 1 May 2016. On or before 29 April 2016, the benchmark was HSBC Asian Local Bond Overall Index.

IMPORTANT INFORMATION

Investors of fixed income funds are subject to various risks, including but not limited to, credit risks, liquidity risks and interest rate risks.

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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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