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 maximise total return through income and capital appreciation by investing primarily in debt securities across the major fixed-income sectors and that are listed or traded in developed and emerging market countries and the face value of which is in U.S. dollars, Japanese yen, pound sterling, euro and a variety of other currencies.
- Investors will be exposed to debt securities (including risks of Government securities), interest rate, credit, liquidity, custody and settlement, and currency 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 Global Multi Strategy Fund

Fund performance

Cumulative (%)[1]	3-Month	YTD	1-Year	3-Year	5-Year	Since inception
Class A Acc. (USD)	-2.23	-1.43	1.22	7.48	8.76	53.10

Rolling 12-month performance (%)[1] – period ending	30.04.18	30.04.17	30.04.16	30.04.15	30.04.14
Class A Acc. (USD)	1.22	9.09	-2.66	2.71	-1.48

Monthly review

What happened in the market? April was another challenging month for global credit markets. U.S. Treasury yields moved higher on the back of rising expectations for more robust U.S. growth. In addition, there were heightened concerns around inflation risk, driven in no small part by the sustained rally in crude oil prices. Meanwhile, emerging markets (EM) were buffeted by the trifecta of rising U.S. rates, a strengthening U.S. dollar and growing fears over a more protracted global growth slowdown. Spread sectors, in general, remained resilient, with spreads across U.S. high yield, bank loans and structured credit grinding tighter.

What happened in the fund? The Fund generated a negative return year-to-date. In April, the Fund benefited from its exposure to U.S. high yield, bank loans and structured credit. However, this was overshadowed by the combination of idiosyncratic risk in EM and the Fund's duration strategy, both of which detracted from performance. More specifically, the strong U.S. dollar negatively impacted EM local currencies. Within EM, Russian assets were particularly volatile as a consequence of rising geopolitical tensions and additional U.S. sanctions. The rise in U.S. Treasury yields also detracted from the Fund's returns, impacting U.S. dollar denominated EM issues (sovereigns and corporates) as well as U.S. investment grade corporates.

What did the portfolio manager do? U.S. duration was increased at the margin in the short end of the yield curve. The Fund's currency basket was rebalanced, as its short Korean won position was partially bought back, while a short Australian dollar exposure was initiated to diversify the Fund's EM currencies funding sources. The Fund's Russian ruble exposure was increased on weakness following additional U.S. sanctions. This was funding via selling a put option on the Mexican peso. The Fund's Turkish lira exposure was also increased on weakness. In the local EM space, profits were taken on the Fund's Poland government bonds and the Polish zloty positions. Finally, the Fund's local Brazil rates allocation was reduced in the short end, whereas its Brazilian real currency exposure was unchanged.

What is the outlook? The manager continues to believe that inflation in the U.S. economy remains benign. Recent changes to U.S. fiscal policy are likely to improve the near-term growth outlook but are unlikely to materially improve the longer-term growth trajectory. The manager also believes this economic cycle will extend much farther before there are signs of inflationary pressures building. That is partially because the magnitude of growth created in the last nine years has been so low relative to what has been experienced in previous cycles. Absent an acceleration in nominal growth, the manager feels that the uptick in inflation this year is merely a move back to more normal levels as the economy heals. If the economy continues to improve as expected and policy is adjusted at a gradual pace, the manager feels that risk assets should do well and government bond yields should remain well supported. Risks to the manager's view include a stronger U.S. growth and inflation outcome or a material downshift in the European economy. While growth in the eurozone has decelerated from very high levels in 2017, the manager expects growth to remain firm later this year as lending

Investment Aim: The Fund seeks to maximise total return through income and capital appreciation by investing primarily in debt securities across the major fixed-income sectors and that are listed or traded in developed and emerging market countries and the face value of which is in U.S. dollars, Japanese yen, pound sterling, euro and a variety of other currencies.

growth remains resilient. A global growth shock could also create challenges, which is why the manager continues to own high-quality duration for diversification.

This Fund is managed by Western Asset Management

[1] Source: Legg Mason, as of 30 April 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. Inception date: 9 May 2007. Class A Acc USD calendar year net of fees performance for year-to-date (-1.43%), 2017 (6.67%), 2016 (11.62%), 2015 (-5.28%), 2014 (2.11%) and 2013 (-3.15%). There is no fund benchmark. On 24 August 2016, the investment objective, policy and/or restrictions were changed. **Investment involves risks. Past performance is not indicative of future results.**