

Unaudited Semi-Annual Report

Legg Mason Global Funds FCP (Luxembourg)

A mutual fund constituted under
Luxembourg Law as a "fonds
commun de placement" with
multiple compartments (sub-funds)

For the Period Ended 30 September 2011

Legg Mason Global Funds FCP (Luxembourg)
A Mutual Fund under Luxembourg Law
Unaudited Semi-Annual Report for the period ended
30 September 2011

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No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus.

General Information on the Fund

Management Company

Legg Mason Investments (Luxembourg) S.A.
145, rue du Kiem
L-8030 Strassen, Grand Duchy of Luxembourg

Incorporation

Legg Mason Investments (Luxembourg) S.A., (the "Management Company") was established in Luxembourg on 26 May 1988 as a Société Anonyme under the laws of Luxembourg for an unlimited period of time.

Its Articles of Incorporation were deposited with the "Registre de Commerce et des Sociétés" of Luxembourg and published in the "Mémorial" on 25 July 1988 with the last amendment on 31 March 2008.

Its objective is the creation, administration, marketing and management of one or several Luxembourg and/or foreign collective investments funds in transferable securities authorised according to the directive 85/611/EEC and to provide services to UCI (Undertakings for Collective Investment).

Board of Directors of the Management Company

Chairman

Joseph P. LaRocque
Managing Director
Legg Mason & Co. LLC
100 International Drive
Baltimore, MD 21202, U.S.A.

Directors

John Alldis
Managing Director
Legg Mason Investments (Luxembourg) S.A.
145, rue du Kiem
L-8030 Strassen, Grand Duchy of Luxembourg

Brian Collins
Consultant
Festina Lente
Herbert Road
Bray. Co. Wicklow, Ireland

Joseph M. Keane
Consultant
15 Rathasker Heights
Nass. Co. Kildare, Ireland

Investment Managers

The Management Company has, at its own expense appointed the following Investment Managers to support the Management of the Fund's assets:

Batterymarch Financial Management, Inc.
John Hancock Tower
200 Clarendon Street
Boston, MA 02116, U.S.A.
(until 10 June 2011)

ClearBridge Advisors LLC
620 Eighth Avenue, 48th Floor
New York, NY 10018, U.S.A.
(until 10 June 2011)

Legg Mason International Equities Ltd.
(trading as "Esemplia Emerging Markets")
10 Exchange Square
Primrose Street, 9th Floor
London, EC2A 2EN, United Kingdom

Custodian Bank, Administrator, Transfer Agent and Registrar

Citibank International plc (Luxembourg Branch)
Atrium Business Park
31, Z.A. Bourmicht
L-8070 Bertrange, Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers S.à r.l.
400, Route d'Esch
L-1471 Luxembourg, Grand Duchy of Luxembourg

General Information on the Fund – *(continued)*

Regarding the Distribution of the Fund in Germany

The Articles of Incorporation, the prospectus and the simplified prospectus, the annual and semi-annual reports as well as the changes in the investment portfolios during the reporting year can be obtained free of charge at the registered office of the representative and paying agent for Germany which is:

Marcard, Stein & Co. AG
Ballindamm 36
20095 Hamburg, Germany

Regarding the Distribution of the Fund in Switzerland

The Articles of Incorporation, the prospectus and the simplified prospectus, the annual and semi-annual reports as well as the changes in the investment portfolios during the reporting year can be obtained free of charge at the registered office of the Information, distribution and paying agent for Switzerland which is:

BNP Paribas Securities Services, Paris
Succursale de Zürich
Selnaustrasse 16, case postale,
8022 Zürich, Switzerland

Information to Unitholders

Audited annual reports are available for inspection by Unitholders at the registered office of the Management Company and at the paying agents and distributors within four months after the close of the accounting year. Unaudited semi-annual reports are also made available in the same manner within two months after the end of the period to which they refer.

Legg Mason Emerging Markets Equity Fund

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2011

Quantity/ Nominal Value ¹	Description ¹	Market Value ¹	% NAV ²	Quantity/ Nominal Value ¹	Description ¹	Market Value ¹	% NAV ²
Transferable securities and money market instruments admitted to an official exchange listing							
AUD Equities							
1,820,000	African Petroleum Corp. Limited ⁽¹⁾	571,917	0.07				
		571,917	0.07				
BRL Equities				HUF Equities			
79,000	Amil Participacoes SA	708,463	0.09	241,158	OTP Bank Plc	3,750,706	0.47
1,285,200	Banco do Brasil SA	17,492,086	2.17			3,750,706	0.47
386,500	Banco Indusval SA	1,468,860	0.18				
356,844	Gerdau SA	2,214,727	0.28				
371,700	Log-In Logistica Intermodal SA	1,420,744	0.18				
106,200	Lupatech SA	509,296	0.06				
213,400	Metalurgica Gerdau SA	1,996,597	0.25				
51,900	Natura Cosmetics SA	915,825	0.11				
1,287,400	OGX Petroleo e Gas Participacoes SA	8,511,102	1.06				
816,600	PDG Realty SA Empreendimentos e Participacoes	2,844,427	0.35				
681,592	Petroleo Brasileiro SA Pfd	7,230,564	0.90				
1,948,183	Tim Participacoes SA	9,097,742	1.13				
394,100	Totvs SA	6,745,230	0.84				
534,600	Weg SA	5,399,354	0.68				
		66,555,017	8.28				
CAD Equities				IDR Equities			
762,481	Pacific Rubiales Energy Corp.	16,037,450	1.99	1,168,476	Astra International Tbk PT	8,451,782	1.04
638,297	Transatlantic Petroleum Limited	532,069	0.07	29,550,000	Borneo Lumbung Energi & Metal Tbk PT	3,070,115	0.38
		16,569,519	2.06	50,515,500	Delta Dunia Petroindo Tbk PT	3,993,301	0.50
				757,860	Indoecement Tunggal Prakarsa Tbk PT	1,189,633	0.15
GBP Equities				INR Equities			
1,218,961	African Minerals Limited	7,840,735	0.97	940,709	Bank of India	6,162,995	0.77
3,389,377	Bellzone Mining Plc	1,394,979	0.17	118,581	BGR Energy Systems Limited	799,273	0.10
1,212,769	Cadogan Petroleum Plc	827,153	0.10	1,681,208	Cairn India Limited	9,507,302	1.18
1,240,495	Chaarat Gold Holdings Limited	459,500	0.06	236,202	Dr Reddys Laboratories Limited	7,187,006	0.89
618,411	Eurasian Natural Resources Corp.	5,589,782	0.69	3,026,765	Housing Development & Infrastructure Limited	6,310,139	0.78
14,453,665	Polo Resources Limited	720,648	0.09	791,764	Indian Bank	3,547,855	0.44
6,633,859	Sunkar Resources Plc ⁽¹⁾	1,235,146	0.15	431,526	IRB Infrastructure Developers Limited	1,449,023	0.18
		18,067,943	2.23	745,400	Ivrl Infrastructures & Projects Limited	556,303	0.07
				92,763	Jammu & Kashmir Bank Limited	1,485,943	0.18
HKD Equities				KRW Equities			
3,638,000	AAC Acoustic Technologies Holdings Inc.	8,040,598	1.00	29,131	Celltrion Inc.	1,095,786	0.14
15,910,000	Agricultural Bank of China – H	5,758,532	0.72	48,350	Duksan Hi-Metal Company Limited	1,141,079	0.14
6,419,100	Bank of Communications Company Limited	4,061,753	0.50	21,458	E-Mart Company Limited	5,923,438	0.74
26,621,740	China Construction Bank Corp.	17,357,718	2.16	45,669	GS Engineering & Construction Corp.	3,801,506	0.47
2,250,000	China High Precision Automation Group Limited	921,225	0.11	484,830	Hynix Semiconductor Inc.	9,025,692	1.12
4,000,000	China Kingstone Mining Holdings Limited	564,736	0.07	267,170	KB Financial Group Inc.	9,196,205	1.14
2,614,034	China Mengniu Dairy Company Limited	8,287,064	1.03	42,960	Samsung Electronics Company Limited	30,635,807	3.81
507,900	China Mobile Limited	5,019,511	0.62	470,398	Shinhan Financial Group Company Limited	16,852,761	2.09
2,720,000	China Pacific Insurance Group Company Limited	8,308,801	1.03	122,294	Silicon Works Company Limited	2,208,923	0.27
2,534,000	China Shenhua Energy Company Limited	10,749,063	1.33			79,881,197	9.92
1,266,000	China South Locomotive And Rolling Stock Corp.	500,469	0.06	MXN Equities			
5,735,000	China Yurun Food Group Limited	5,844,487	0.72	1,903,100	Alsea SAB de CV	1,491,231	0.19
8,401,725	CNOOC Limited	14,342,095	1.78	2,897,200	Genomma Lab Internacional SA de CV	4,841,634	0.60
17,927,000	Evergrande Real Estate Group	6,764,683	0.84	695,800	Gruma SAB de CV	1,211,876	0.15
32,752,120	Industrial & Commercial Bank of China	16,982,955	2.11	1,215,700	Mexichem SAB de CV	3,839,288	0.48
9,415,000	Lee & Man Paper Manufacturing Limited	3,190,191	0.40			11,384,029	1.42
7,218,000	PCD Stores Limited	982,008	0.12	MYR Equities			
1,008,000	Real Gold Mining Limited	1,146,270	0.14	5,472,100	AirAsia Bhd	5,251,211	0.65
2,418,000	Shanghai Industrial Holdings Limited	7,044,897	0.88				

¹Appendix E – Investment Portfolio, (1)²Appendix E – Investment Portfolio, (3)

Legg Mason Emerging Markets Equity Fund

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2011 – (continued)

Quantity/ Nominal Value ¹	Description ¹	Market Value ¹	% NAV ²
4,433,000	Genting BHD	13,013,228	1.61
		18,264,439	2.26
PLN Equities			
86,926	Jastrzebska Spolka Weglowa SA	2,354,262	0.29
49,675	KGHM Polska Miedz SA	2,044,969	0.25
83,387	Powszechny Zaklad Ubezpiezen SA	8,207,721	1.02
		12,606,952	1.56
SGD Equities			
6,541,000	China Milk Products Group Limited ^{(1) (2)}	5	0.00
398,000	Straits Asia Resources Limited	631,379	0.08
		631,384	0.08
THB Equities			
853,700	Bumrungrad Hospital Pcl	1,047,769	0.13
6,593,800	Italian-Thai Development Pcl	702,430	0.09
39,360	Kasikornbank Pcl	148,396	0.02
94,600	Kasikornbank Pcl – NVDR	355,145	0.04
2,410,900	LPN Development Pcl – NVDR	858,680	0.11
990,100	LPN Development Pcl	352,640	0.04
1,947,900	Siam Commercial Bank Pcl – Reg	6,750,245	0.84
624,200	Tisco Financial Group Pcl – NVDR	731,048	0.09
		10,946,353	1.36
TRY Equities			
1,093,650	Asya Katilim Bankasi As	1,176,827	0.15
		1,176,827	0.15
TWD Equities			
9,301,713	Advanced Semiconductor Engineering Inc.	8,224,603	1.02
564,112	Asia Cement Corp.	577,595	0.07
6,373,072	Hon Hai Precision Industry Company Limited	14,663,801	1.82
572,641	Htc Corp.	12,780,620	1.59
346,000	MediaTek Inc.	3,736,037	0.46
6,209,000	Nan Ya Plastics Corp.	13,429,111	1.67
959,618	Powertech Technology Inc.	2,072,352	0.26
712,000	Ruentex Development Company Limited	716,145	0.09
648,918	Tripod Technology Corp.	1,693,597	0.21
		57,893,861	7.19
USD Equities			
290,010	America Movil SAB de CV – ADR	6,545,526	0.81
47,478	Baidu.Com – ADR	5,236,349	0.65
82,398	Credicorp Limited	7,566,608	0.94
1,269,430	Gafisa SA – ADR	8,022,797	1.01
1,663,984	Gazprom OAO – ADR – Reg	16,548,320	2.06
578,937	Gerdau SA – ADR	4,370,974	0.55
261,070	Global Ports Investments Plc – Reg	4,046,585	0.50
235,500	Gol Linhas Aereas Inteligentes SA – ADR	1,389,450	0.17
205,042	Grupo Clarin – GDR ⁽¹⁾	1,230,252	0.15
1,308,763	Itau Unibanco Holding SA – ADR	21,071,084	2.63
200,000	Kuzbasskaya Toplivnaya Company ⁽¹⁾	1,094,545	0.14
364,332	Magnitogorsk Iron & Steel Works – GDR	1,887,240	0.23
156,863	Mail.Ru Group Limited – GDR	4,721,576	0.59
134,375	Mechel Pfd ⁽¹⁾	1,119,633	0.14
362,887	Mechel – ADR Pfd	1,632,992	0.20
81,423	Mechel – ADR	882,625	0.11
149,714	Mhp SA – GDR	1,916,339	0.24

Quantity/ Nominal Value ¹	Description ¹	Market Value ¹	% NAV ²
101,815	Nii Holdings Inc.	3,003,543	0.37
348,409	Nomos-Bank – GDR	3,414,408	0.42
176,734	O'Key Group SA – GDR	1,086,914	0.14
455,057	Pik Group – GDR	1,401,576	0.17
226,356	Raspadskaya	708,222	0.09
141,376	Ros Agro Plc – GDR	1,173,421	0.15
1,555,025	Rosneft Oil Company – GDR	9,578,954	1.19
4,967,999	Sberbank of Russian Federation	10,979,278	1.36
355,737	Southern Copper Corp.	9,199,359	1.14
80,128	Tim Participacoes SA – ADR	1,878,200	0.23
1,165,221	Vale SA – ADR	25,495,035	3.17
20,000	Vozrozhdenie Bank	513,555	0.06
239,952	X 5 Retail Group NV – GDR – Reg	6,737,853	0.83
412,970	Zhongpin Inc.	3,316,149	0.41
		167,769,362	20.85
ZAR Equities			
672,196	ABSA Group Limited	11,410,178	1.42
201,984	African Bank Investments Limited	849,261	0.11
84,482	Anglogold Ashanti Limited	3,482,433	0.43
1,223,167	Aveng Limited	5,277,975	0.66
860,991	Mtn Group Limited	14,288,156	1.79
286,714	Sasol Limited	11,989,664	1.49
		47,297,667	5.90
Total Equities		752,793,899	93.52
Total Transferable securities and money market instruments admitted to an official exchange listing		752,793,899	93.52
Other transferable securities and money market instruments			
CAD Warrants Equity			
5,171,500	Cap Link Ventures Limited – Wts ⁽¹⁾	–	–
		–	–
Total Warrants Equity		–	–
Total Other transferable securities and money market instruments		–	–
Total Investments in securities		752,793,899	93.52
Other Net Assets		52,165,182	6.48
Total Net Assets		804,959,081	100.00

⁽¹⁾ Illiquid security⁽²⁾ Fair valued security¹Appendix E – Investment Portfolio, (1)²Appendix E – Investment Portfolio, (3)

Legg Mason Emerging Markets Equity Fund

Industrial Classification as of 30 September 2011

	%
	NAV
Banks	18.30
Oil and gas producers	11.89
Mining (non precious)	11.11
Semiconductors	6.94
Telecommunication services	6.25
Financial services	3.43
Real estate	3.39
Electronic equipment	3.17
Food services	2.87
Chemicals	2.36
Engineering and construction	2.30
Retail	2.09
Insurance	2.05
Iron and steel	1.93
Leisure and entertainment	1.87
Telecommunication equipment	1.59
Pharmaceuticals	1.49
Internet software and services	1.24
Food	1.18
Auto manufacturers	1.00
Transportation	1.00
Diversified companies	0.88
Machinery	0.85
Software	0.84
Precious metals	0.63
Commercial services	0.50
Electrical utilities	0.49
Forest products and paper	0.40
Building materials	0.37
Agriculture	0.24
Healthcare services	0.22
Broadcasting, radio and television	0.15
Biotechnology	0.14
Cosmetics and personal care	0.11
Other	0.25
Total Investment in Securities	93.52
Other Net Assets	6.48
Total Net Assets	100.00

Statement of Net Assets as of 30 September 2011

	Legg Mason Emerging Markets Equity Fund USD
Assets	
Investments at cost ¹	872,014,431
Unrealised depreciation (note 2b)	(119,220,532)
Investments at market value (note 2b) ²	752,793,899
Liquid assets ³	48,957,152
Subscriptions receivable ⁴	2,777,291
Dividends receivable (note 2d) ⁵	2,510,715
Receivable from securities sold ⁵	555,241
Accrued securities lending income	232,773
Total assets ⁶	807,827,071
Liabilities	
Accrued expenses	1,282,528
Payable for securities purchased	1,233,542
Redemptions payable ⁷	351,920
Total liabilities ⁸	2,867,990
Net assets ⁹	804,959,081

¹Appendix E – Investment Portfolio (2) The total investment stated at cost

²Appendix E – Statements of Assets and Liabilities, (1) Total value of investments

³Appendix E – Statements of Assets and Liabilities, (2) Bank balances

⁴Appendix E – Statements of Assets and Liabilities, (5) Amounts receivable on subscription

⁵Appendix E – Statements of Assets and Liabilities, (4) Dividends and other receivables

⁶Appendix E – Statements of Assets and Liabilities, (9) Total value of all assets

⁷Appendix E – Statements of Assets and Liabilities, (7) Amounts payable on redemption

⁸Appendix E – Statements of Assets and Liabilities, (10) Total value of all liabilities

⁹Appendix E – Statements of Assets and Liabilities, (11) Net asset value

Statement of Operations and Changes in Net Assets for the period ended 30 September 2011

	Legg Mason Global Equity Fund ^a USD	Legg Mason US Growth and Value Fund ^a USD	Legg Mason Emerging Markets Equity Fund USD	Combined ^φ USD
Net assets at the beginning of the period ¹	24,248,319	13,878,927	1,069,384,449	1,107,511,695
Income ²				
Dividend income (note 2d)	160,708	41,944	15,028,622	15,231,274
Other income	6,545	24,704	8,301	39,550
Interest income (note 2c)	74	33	–	107
Securities lending income (note 2h)	–	–	428,834	428,834
Total income	167,327	66,681	15,465,757	15,699,765
Expenses ³				
Management fees (note 4)	62,862	39,516	3,277,193	3,379,571
Custody, transfer agent, registrar and administration fees (note 3)	7,083	3,947	866,330	877,360
Audit and legal fees	1,378	770	161,930	164,078
Regulatory fees	580	512	39,356	40,448
Taxation (note 6)	221	123	64,110	64,454
Directors' and insurance fees	122	72	7,600	7,794
Interest expenses	5	7	10,210	10,222
Publication and printing fees	–	–	62,043	62,043
Total expenses	72,251	44,947	4,488,772	4,605,970
Net income from investments	95,076	21,734	10,976,985	11,093,795
Net realised gain/(loss) on: ⁴				
Sales of investments (notes 2a, 2e)	2,561,776	1,831,605	8,151,558	12,544,939
Forward foreign exchange contracts (note 2f)	144	(4,476)	(1,894,164)	(1,898,496)
Net change in unrealised depreciation on:				
Investments (note 2b)	(3,400,849)	(2,656,465)	(299,294,891)	(305,352,205)
Net change in net assets for the period resulting from operations	(743,853)	(807,602)	(282,060,512)	(283,611,967)
Proceeds from subscriptions ⁵	44,674	198,340	44,938,139	45,181,153
Payments for redemptions ⁶	(23,546,739)	(13,269,665)	(27,276,817)	(64,093,221)
Net proceeds from subscription and redemption activity	(23,502,065)	(13,071,325)	17,661,322	(18,912,068)
Dividend distributions (note 9)	(2,401)	–	(26,178)	(28,579)
Net assets at the end of the period ⁷	–	–	804,959,081	804,959,081

^a Please see note 10.

^φ Please see note 2g.

¹Appendix E – Statement of Movements in Capital Account (1)

²Appendix E – Revenue Statement (1)

³Appendix E – Revenue Statement (4)

⁴Appendix E – Statement of Movements in Capital Account (4)

⁵Appendix E – Statement of Movements in Capital Account (2)

⁶Appendix E – Statement of Movements in Capital Account (3)

⁷Appendix E – Statement of Movements in Capital Account (6)

The accompanying notes form an integral part of the Financial Statements

Net Assets Information as of 30 September 2011, 31 March 2011 and 31 March 2010

		Legg Mason Global Equity Fund ^a USD	Legg Mason US Growth and Value Fund ^a USD	Legg Mason Emerging Markets Equity Fund USD
Net assets as of ¹	30 September 2011	–	–	804,959,081
	31 March 2011	24,248,319	13,878,927	1,069,384,449
	31 March 2010	26,665,467	14,700,920	1,040,554,213
Net asset value per unit as of 30 September 2011 ²				
Class A Ordinary				
USD		–	–	276.66
EUR		–	–	202.55
Class A Distribution				
EUR		–	–	198.85
Class C Ordinary				
USD		–	–	256.28
EUR		–	–	187.60
Class I Ordinary				
USD		–	–	345.83
Class M Ordinary				
USD		–	–	407.85
Number of units outstanding as of 30 September 2011 ³				
Class A Ordinary				
USD		–	–	194,598,110
EUR		–	–	4,610,885
Class A Distribution				
EUR		–	–	19,605,449
Class C Ordinary				
USD		–	–	799,296
EUR		–	–	5,972,735
Class I Ordinary				
USD		–	–	1,437,236,015
Class M Ordinary				
USD		–	–	602,545,551

¹Appendix E Performance table (1a)

²Appendix E Performance table (1b) / Statement of Assets and Liabilities, (13) Net asset value per unit / share

³Appendix E Statement of Assets and Liabilities, (12) Number of units / shares in issue

^a Please see note 10.

Net Assets Information as of 30 September 2011, 31 March 2011 and 31 March 2010 – (continued)

	Legg Mason Global Equity Fund ^a USD	Legg Mason US Growth and Value Fund ^a USD	Legg Mason Emerging Markets Equity Fund USD
Net asset value per unit as of 31 March 2011 ¹			
Class A Ordinary USD	208.66	109.39	376.55
EUR	147.97	76.45	266.95
Class A Distribution EUR	144.20	75.74	262.97
Class C Ordinary USD	195.86	101.40	350.13
EUR	137.60	70.66	248.18
Class I Ordinary USD	–	118.09	467.97
Class M Ordinary USD	271.74	–	549.68
Net asset value per unit as of 31 March 2010 ¹			
Class A Ordinary USD	189.53	98.97	325.03
EUR	141.13	72.63	241.98
Class A Distribution EUR	138.31	71.96	238.59
Class C Ordinary USD	179.24	92.42	304.50
EUR	132.24	67.64	226.67
Class I Ordinary USD	–	105.97	399.30
Class M Ordinary USD	243.25	–	465.28

¹Appendix E Performance table (1b) / Statement of Assets and Liabilities, (13) Net asset value per unit / share

^a Please see note 10.

Notes to the Financial Statements as of 30 September 2011

1. Description of the Fund

Legg Mason Global Funds FCP (Luxembourg), (the "Fund"), has been established in Luxembourg as an open-ended mutual investment fund under Luxembourg law.

The Fund is an Undertaking for Collective Investment (UCI) qualifying under Part I of the Luxembourg law of 17 December 2010.

The Fund is an umbrella fund insofar as the Fund is divided into different Sub-Funds, each representing a portfolio of assets (a "Sub-Fund").

Units in any particular Sub-Fund are divided into different classes to accommodate different subscription and redemption provisions and/or fees and charges to which they are subject to as well as their availability to certain types of investors.

Class A Units which have an initial sales charge of up to 5% applied by the Intermediaries incur a lower management fee than Class B Units and Class C Units.

Class B Units which are not subject to any initial sales charge are subject to a Contingent Deferred Sales Charge ("CDSC") (as described in the prospectus) and incur a higher management fee than Class A Units. At the end of the period, no Class B Units have been issued.

Class C Units which have an initial sales charge of up to 2.5% applied by the Intermediaries incur a higher management fee than Class A Units.

Class I Units are only available to institutional investors and are not subject to any initial sales charges. They are subject to a management fee as determined by the Management Company.

Class M Units are not subject to any sales charges but incur a fee charged by the Administrator. Class M Units are specifically for use by Legg Mason Investment Managers, or at the discretion of the Board of Directors of the Management Company.

Class P Units are available for investment at their Net Asset Value per unit with no initial sales charge and incur a lower management fee than Class A, B and C Units. However, investment in Class P is subject to a minimum subscription amount of USD 2 million or its near equivalent in any other freely convertible currency.

Each class may issue units with different distribution entitlements attached ("Sub-Class": Ordinary Units or Distribution Units) and the units of each Sub-Class may be available for subscription in different currencies ("Offering Currencies").

As of 30 September 2011, and following the closure of Legg Mason Global Equity Fund and Legg Mason US Growth and Value Fund, the Fund comprises of the following Sub-Fund:

- Legg Mason Emerging Markets Equity Fund

The securities and other assets of the Fund are segregated from the assets of the Management Company and from the assets of other investment funds, which the Management Company manages, and are managed by the Management Company in the interests of the Unitholders and on their behalf.

The Management Company may in the future create new Sub-Funds and Units classes.

The accounting year of the Fund ends on 31 March of each year.

2. Summary of Significant Accounting Policies

The accounting policies of the Fund conform with Luxembourg legal and regulatory requirements relating to investment funds.

a) Foreign Currencies ¹

The financial statements and accounting records are expressed in the Sub-Fund's currency. Transactions in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency based on the exchange rates in effect at the date of the transaction.

Assets and liabilities denominated in other currencies are translated at the exchange rate on the balance sheet date. Any resulting gains or losses are recognised in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain / (loss) on sales of investments".

Main exchange rates used as of 30 September 2011 are:

1USD=	AUD	1.01833	PLN	3.23075
	BRL	1.82875	RUB	32.23831
	CAD	1.03170	SGD	1.29225
	EUR	0.73268	THB	31.16527
	GBP	0.63780	TRY	1.84935
	HKD	7.79126	TWD	30.42288
	HUF	214.10800	ZAR	7.87948
	IDR	8,855.04295		
	INR	48.97399		
	KRW	1,173.70892		
	MXN	13.46384		
	MYR	3.17830		

b) Investment Securities ²

Securities listed on an official exchange or dealt on another regulated market are valued on the basis of the last available price. If a security is quoted on different markets, the quotation of the main market for this security is used. Fixed income securities are valued on the basis of the latest available mid price on the relevant stock exchange or the mid price of last available quotes from market makers that constitute the main market for such securities.

Non-listed securities and securities which are listed or dealt on a regulated market but in respect of which the last sales price is not representative of the fair value, are valued on the basis of their probable sales price as determined with prudence and in good faith by the Management Company.

Liquid assets, money market instruments and short term instruments (especially discount instruments) that have a maturity of less than 90 days are valued at their face value with interest accrued or on an amortised cost basis. In the case of short term instruments (especially discount instruments) that have a maturity of less than 90 days, the value of the instrument based on the net acquisition cost, is gradually adjusted to the repurchase price thereof while the investment return calculated on the net acquisition cost is kept constant. In the event of material changes in market conditions, the valuation basis of the investment is adjusted to the new market yields.

All other liquid assets are valued on the basis of their applicable market rates. Assets denominated in a currency other than the currency of denomination of a particular Sub-Class are re-valued using the applicable foreign exchange rate as set out in (a) above.

¹Appendix E – Notes to the Accounts, (1) Principal accounting policies – (c)

²Appendix E – Notes to the Accounts, (1) Principal accounting policies – (a)

In the event of it being impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Management Company is entitled to use other generally recognised valuation principles, which can be examined by the Auditor of the Fund in order to reach a proper valuation of the total assets of the Fund.

The difference between the cost of securities and their market value on the balance sheet date is recognised in the Statement of Net Assets under the heading "Unrealised appreciation / (depreciation)".

Any change in the difference arising between the cost of securities held at year-end and their market value at that date is recognised in the Statement of Operations and Changes in Net Assets under the heading "Net change in unrealised appreciation / (depreciation) on investments".

Security transactions are accounted for on the date the securities are purchased or sold. Purchases of securities are recorded at cost including brokerage commissions.

Shares or units in underlying open-ended investment funds shall be valued at their latest available Net Asset Value, reduced by any applicable charges.

c) Interest Income ¹

Interest income includes interest applied to bonds and to bank accounts. It is accrued gross on a daily basis. Withholding tax is paid out of the gross income.

d) Dividend Income ¹

Dividends are accounted for on an ex-dividend basis net of any irrecoverable withholding tax.

e) Realised Gains and Losses on Sales of Investments ²

Realised gains and losses comprise the profit or loss arising from disposal of securities during the year and differences arising on the revaluation of other assets and liabilities denominated in foreign currencies.

Capital gains or losses are determined on the basis of the weighted average cost of the securities sold.

f) Derivatives

Financial derivative instruments listed on an official exchange or dealt on another Regulated Market are valued on the basis of the last available price.

Financial derivative instruments which are not listed on any official stock exchange or traded on any other Regulated Market are valued in a reliable and verifiable manner on a daily basis in accordance with market practice.

Forward foreign exchange contracts ³

Outstanding forward foreign exchange contracts, if any, are valued at the closing date by reference to the forward exchange rate applicable to the outstanding life of the contract.

The unrealised appreciation or depreciation on open forward foreign exchange contracts is calculated as the difference between the contract rate and the forward rate at the close of business on valuation day. The unrealised appreciation or depreciation on such contracts is disclosed in the Statement of Net Assets under the heading "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".

The realised gain / (loss) on forward foreign exchange contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain / (loss) on forward foreign exchange contracts".

Future contracts ³

Outstanding future contracts, if any, are valued at the close of business market prices or the last available market price of the instruments.

The unrealised appreciation or depreciation on future contracts is included in the Statement of Net Assets under the heading "Net unrealised appreciation / (depreciation) on future contracts". All margins accounts are included in "Futures margins and options deposits".

The realised gain / (loss) on future contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain / (loss) on future contracts".

Option contracts

Outstanding option contracts, if any, are valued at the close of business market prices or the last available market price of the instruments.

The market value of option contracts is included in the Statement of Net Assets under the heading "Options at market value". All deposits accounts are included in "Futures margins and options deposits".

The realised gain / (loss) on option contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain / (loss) on option contracts".

Swap agreements

Outstanding swap agreements, if any, are valued at the close of business market prices or the last available market price of the instruments.

The unrealised appreciation or depreciation on swap agreements is included in the Statement of Net Assets under the heading "Net unrealised appreciation / (depreciation) on swap agreements". All accrued interest is included in "Accrued interest on swap agreements".

The realised gain / (loss) on swap agreements is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain / (loss) on swap agreements".

g) Combined Figures ²

The combined Statement of Operations and Changes in Net Assets is expressed in United States dollars ("USD") and is presented for information purposes only.

h) Securities Lending ²

In accordance with the provisions set forth in CSSF Circular 08/356, each Sub-Fund may, in order to reduce risk, reduce cost and generate additional income enter into securities lending transactions through a standardised lending system organised by a recognised securities clearing institution or through a lending system organised by financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and that is specialised in this type of transaction. When entering into lending transactions, the Sub-Fund must receive a collateral of a value which is, during the lifetime of the agreement, at least equal to the global valuation of the securities lent given in the form of liquid assets or in the form of securities issued or guaranteed by an OECD Country or by their local authorities or by supranational institutions and undertakings with EU, regional or worldwide scope and blocked in favour of the Sub-Fund until expiry of the securities lending transaction. The Sub-Fund may also receive as collateral shares issued by a first class issuer, included in a major local index and listed or dealt in a regulated market in a Member State of the EU or a stock exchange of a Member State of the OECD or any other eligible securities pursuant to the CSSF Circular 08/356. Securities lending transactions may not exceed 50% of the aggregate market value of the securities in the Sub-Fund. This limit shall not apply where the Sub-Fund has the right at any time to terminate the contract and obtain restitution of the securities lent. Securities lending transactions may not exceed a period of 30 days. The Sub-Fund may not lend securities which serve as underlying instruments linked to derivative financial instruments or which have been accepted within the framework of reverse repos. Securities used to provide cover in respect of derivatives on an exchange rate or currency are not regarded as being linked to the said derivative. Cash collateral received by the Sub-Fund in relation to these transactions is reinvested.

¹Appendix E – Notes to the Accounts, (1) Principal accounting policies – (b)

²Appendix E – Notes to the Accounts, (1) Principal accounting policies – (g)

³Appendix E – Notes to the Accounts, (1) Principal accounting policies – (d)

Any incremental incomes arising from securities lending transactions entered into are accrued solely to the Sub-Funds which lent the securities.

As of 30 September 2011 the market value of the securities on loan is as follows:

Sub-Fund	Market Value of Securities on Loan (USD)
Legg Mason Emerging Markets Equity Fund	36,900,277

3. Custody, Transfer Agent, Registrar and Administration Fees

An all-inclusive annual fee up to 0.15% of the Fund's average daily net assets is paid in relation to custody, transfer agency, registrar and administration services provided by Citibank International plc (Luxembourg Branch). The fee is accrued daily and paid monthly in arrears.

4. Management Fees ¹

A management fee is charged and is allocated to the Management Company, the Investment Managers and Investment Advisors as well as the Intermediaries.

The fee is accrued daily, and is paid monthly in arrears at the applicable annual rates set out below calculated on the basis of the average daily net assets attributable to each class of each Sub-Fund during the relevant month.

Sub-Funds	Class A Units	Class C Units	Class M Units	Class I Units
Equity Series				
Legg Mason Global Equity Fund ^a	1.42%	2.17%	0.02%	–
Legg Mason US Growth and Value Fund ^a	1.42%	2.17%	–	0.67%
Legg Mason Emerging Markets Equity Fund	1.92%	2.67%	0.02%	0.80%

5. Dilution Levy Fee

The Management Company may apply a charge of up to 1% of the Net Asset Value of Units purchased / redeemed when considered appropriate in order to reflect any fiscal charges and dealing cost incurred on the purchase / realisation of assets for the Sub-Fund and with the aim of protecting the existing / remaining Unitholders from carrying said charges and cost. The amount of the fee so collected shall be retained in the relevant Sub-Fund.

This amount is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Payments for redemptions" / "Proceeds from subscriptions".

No dilution levy was applied for the period ended 30 September 2011.

6. Taxation ²

The Fund is an investment fund registered in Luxembourg and is, as a result, exempt from tax except for subscription tax. A subscription tax ("Taxe d'abonnement") of 0.05% per annum, payable quarterly, is imposed on the net assets of the Fund by the Luxembourg State, calculated quarterly on the basis of the net asset value of each Sub-Fund on the last day of the quarter. For the Class I a reduced tax of 0.01% per annum will apply.

7. Other Commitments on Derivatives

As of 30 September 2011, the Fund has no other outstanding commitment on derivatives.

8. Changes in the Investment Portfolio

Changes in the investment portfolio during the reporting year are available to the Unitholders at the registered offices of the Management Company and the Custodian Bank.

9. Dividend Distributions

The Management Company may declare distributions periodically from net investment income and realised gains or losses attributable to each Sub-Fund.

During the reporting period from 1 April 2011 to 30 September 2011, the Fund has recorded the following dividends (on Class A Distribution):

Sub-Funds	Currency	Amount per unit
Legg Mason Global Equity Fund ^a	EUR	0.5470
Legg Mason Emerging Markets Equity Fund	EUR	0.8810

Ex-Date: 1 June 2011 *Payment Date: 3 June 2011*

10. Important Events

The reconvened extraordinary class meetings held on 19 April 2011 approved the mergers of 2 sub-funds of Legg Mason Global Funds FCP (Luxembourg) (the "Absorbed Sub-Funds") with the sub-funds of Legg Mason Global Funds Plc (the "Absorbing Sub-Funds"), as indicated in the table here below, with effect on 10 June 2011:

Legg Mason Global Funds FCP (Luxembourg) Absorbed Sub-Funds	Legg Mason Global Funds Plc Absorbing Sub-Funds
Merger of Legg Mason Global Equity Fund	into Legg Mason Batterymarch Global Equity Fund
Merger of Legg Mason US Growth and Value Fund	into Legg Mason ClearBridge US Appreciation Fund

¹Appendix E – Notes to the Accounts, (2) Transactions with Connected Persons – (f)

²Appendix E – Notes to the Accounts, (1) Principal accounting policies – (f)

^a Please see note 10.

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