

Named portfolio manager(s):

Stephen Smith (since launch), David Hoffman (since launch)

Location: Philadelphia

Launch date: October 2003

Fund size (January 2009): US\$399m

Peer group: Global Bond Funds in Dollars

Unhedged

Further information on S&P's fund coverage can be found at www.funds.standardandpoors.com

Report date February 2009

Investment Style

	Inv Grade	Blend	Sub Inv Grade
Govt			
Corp			
Emerging			
ABS/MBS			

Performance Statistics

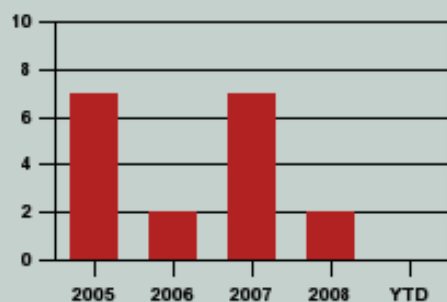
	3 Years
Fund	4.8%
Standard & Poor's Peer Median	17.3%
Index**	30.5%
Fund Rank	110/133
Volatility Adjusted Ranking	111/133

Note: returns are cumulative

3 Year Risk Characteristics

Maximum Drawdown (%)	Low	-16.3
Volatility	Medium	8.6
Correlation	High	0.7
Beta	Medium	0.8

Calendar Year Decile Ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank 9, with tenth decile as rank 1.

Performance Data Source - © 2008 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 31/12/2008 on NAV to NAV basis, with gross income reinvested, in US Dollars.

Standard & Poor's opinion (February 2009)

This fund is managed by Brandywine under a long-term, top-down, value-driven process. It mainly invests in global government bonds but can and does hold spread product from time to time.

The process has resulted in short-term underperformance in the past, but 2008 was by far the worst year in Brandywine's history. The fund lagged its pure government benchmark by almost 17 percentage points before fees, due to credit and currency exposures. The fund ranks bottom quartile against peers over three and five years, cumulatively.

At the end of 2007, the team took profits on long-dated Treasuries and started buying high-quality corporate bonds and MBS. It assessed valuations as attractive on the basis of an expected mid-cycle slowdown and subsequently increased the credit exposure to over a third of the portfolio in Q1 2008. The team had no dedicated credit analyst until August 2008.

Not owning the Japanese yen and being overweight commodity currencies, such as the Australian dollar, caused further significant losses. Although currency strategies have been the main driver of Brandywine's long-term outperformance, they have also repeatedly caused underperformance in the past 10 years.

Brandywine's process is consistent and value-driven, and temporary performance disappointments have to be expected. However, we are concerned that the fund has underperformed its benchmark in the past three calendar years and that 2008 has wiped out more than three years of Brandywine's cumulative outperformance before 2006. We have reduced the fund's rating one notch to an S&P A/V4 rating.

Fund manager & team

Stephen Smith and David Hoffman are supported by Jack McIntyre, six analysts and three traders. The team has been extremely stable. They currently manage \$24.6bn.

Stephen Smith - BSc economics, business administration (Xavier University), began his career in 1976 at First Pennsylvania Bank and moved to Munsch and Smith Management as a founding partner in 1980. He went to Provident Capital Management in 1984 and Mitchell Hutchins Asset Management in 1988. He joined Brandywine in 1991.

David Hoffman - BA art history (Williams College), CFA, began his career at Provident National Bank in 1975 and moved to INA Capital Management in 1979. He was head of fixed income investments at Columbus Circle Investors from 1983 and left to set up Hoffman Capital, investing in financial futures, in 1991. He joined Brandywine in 1995.

Jack McIntyre - BBA finance (University of Massachusetts), MBA finance (Stern NYU), CFA, joined Brandywine in 1998, bringing with him 11 years of industry experience.

Francis Scotland - economics (Queens University, Ontario), MA economics (University of Western Ontario), worked as an economist for the Bank of Canada (1977 to 1984), before moving to the BCA Research Group, where he became editor-in-chief and head global strategist. He joined Brandywine as director of global macro research in 2005.

Management style

The Brandywine investment philosophy is long term and driven by valuation-based fundamentals. The managers look for countries with high real rates of return (based on trailing CPI) and undervalued currencies. They then rank them, after allowing for qualitative factors such as political stability.

The fund aims to outperform the Citigroup and other world government bond indices by 2% a year over a market cycle, but the managers are not influenced by a benchmark index when taking portfolio construction decisions.

The fund invests in the most attractive six to 12 countries, usually in government bonds, and takes the currency risk as well. The managers sometimes hedge currency exposure or own a currency without the corresponding interest rate risk. The team can spend between six and 12 months researching an investment and may hold positions for several years.

The managers do not use tracking error or VaR for risk management, but focus on upside/downside capture ratios. The fund's positions are relatively concentrated and the managers focus on long-term trends rather than short-term technical movements. As a result it can have periods of significant short-term underperformance.

LEGG MASON GLOBAL FUNDS PLC BRANDYWINE GLOBAL OPPORTUNITIES BOND FUND

Sub-fund of Irish domiciled open-ended investment company
Legg Mason Investments



Portfolio & performance analysis (January 2009)

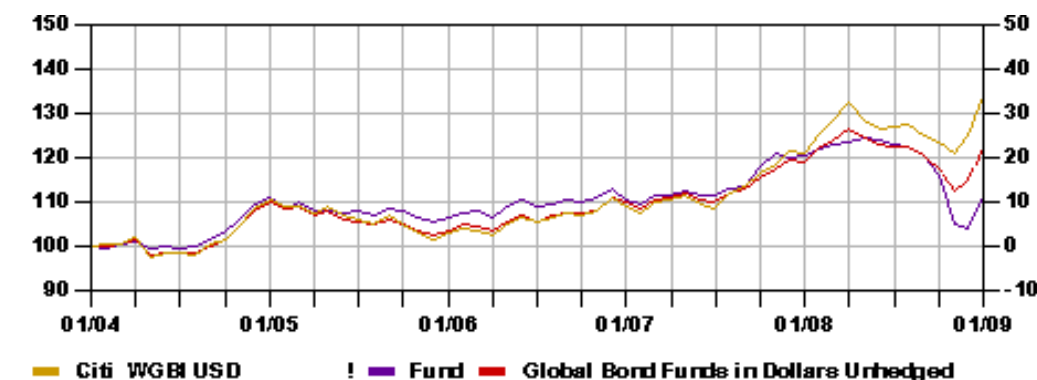
The fund underperformed the pure government benchmark by almost 17 percentage points in 2008 before fees, due to currency and credit exposures. Most underperformance came in October and November 2008.

The fund did not own Japanese yen (around a third of the benchmark), contributing almost 7% to the underperformance. This was mitigated by the fact that Japanese bonds underperformed other government markets. Instead, the fund was overweight commodity currencies (Norwegian and Swedish krona, Australian and New Zealand dollar) and emerging markets currencies (such as Polish zloty and Singapore dollar). The strategy was designed to capture an expected widening of the interest rate differential between the US and the rest of the world. As commodity prices weakened, the managers reduced the overweight to Australian and Singapore dollars in Q3 2008. Only one currency bet worked well in 2008 - the underweight in euro against the US dollar. They reduced the underweight in euro in October/November 2008 after the strong US dollar rally. They also took off the hedge on the sterling position and hedged Polish zloty into euros. At review the fund held around 15% in euros, against the benchmark's 30%.

The managers purchased around 5% in high-quality corporate bonds and collateralised mortgage obligations at end-2007 based on attractive valuations in anticipation of a mid-cycle economic slowdown. They increased the credit exposure in Q1 2008, took some profits in May 2008 and added again in Q4 2008. They currently hold 20% in MBS, 22% in industrial corporate bonds and 4% in financials. Although the portfolio duration is longer than the benchmark's (7.2 versus 6.3), the fund did not participate fully in the year-end rally in government bonds as almost half of duration stems from long-term corporate bonds.

Against peers, bottom-quartile performance in 2006 (currency positioning in euro and yen) and 2008 led to bottom-quartile rankings over three and five years cumulatively.

Cumulative performance



Sources of return (01/01/09)			
	Low	Average	High
Portfolio Duration			
Credit Spreads			
Country / Sectors			
Yield Curve Positioning			
Currency Exposure			
Derivatives			

Portfolio characteristics	
Effective duration (years)	7.2

Credit rating breakdown by CTD* (01/01/09)			
	Long	Short	Net
AAA	2.33	0	2.33
AA	0.58	0	0.58
A	1.87	0	1.87
BBB	1.04	0	1.04
Unrated securities	1.41	0	1.41

Duration breakdown (01/01/09)			
	Long	Short	Net
0-3 years	0.43	0	0.43
3-5 years	0.50	0	0.50
5-10 years	2.01	0	2.01
10+ years	4.29	0	4.29

Asset allocation by CTD (01/01/09)			
	Long	Short	Net
Governments/Supranational	3.25	0	3.25
Corporate Bonds	3.53	0	3.53
ABS/MBS/covered	0.45	0	0.45

Regional breakdown by CTD* (01/01/09)				
	Long	Short	Net	Curr %
North America	4.21	0	4.21	42
Europe ex UK	1.63	0	1.63	26
UK	0.40	0	0.40	10
Japan	0	0	0	0
Other	0.96	0	0.96	22

* CTD = Contribution to duration. Credit rating exposures are expressed in spread duration terms.

Discrete Performance (calendar years)

	2005		2006		2007		2008		YTD 31/12/2008	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	-3.9	44/132	4.0	109/133	8.9	45/134	-7.4	115/136		
Index**	-6.9		6.1		10.9		10.9			
Median	-5.0		5.3		7.6		3.4			

** Citi WGBI USD

Fund Benchmark: Citi World Government Bond

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
A	5.00	0	1.10	1.17			IE0033637442

Registered for sale

Symbols and Definitions

Long-Only Fund Ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and performance consistency of the management team and/or approach as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-Hedge-Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute Return Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

All Fund Ratings

NR Funds designated as NR (Not Rated) currently do not meet the requisite performance standards and/or the minimum qualitative criteria.

UR Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

New Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Bond Fund Volatility Ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute Return Fund N Ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.

10/14/2008

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