



## A more flexible and diversified approach to fixed income

### Time for a Rethink

Global fixed income markets have become broader and deeper over the last decade and now offer a wider range of investment opportunities than ever before. Don't restrict yourself to domestic bonds. A more flexible and diversified approach offers multiple benefits:

- Active bond management, in a combination of global fixed income sectors, can help to deliver excellent returns
- The global bond universe offers a wide risk spectrum, from safer developed market government bonds to riskier high yield and emerging market investments
- The chart on the right shows the importance of holding a diversified portfolio given that changing market conditions impact different market sectors. It also reveals how managers with the scope to invest in a wider set of sectors can take advantage of these changes and offer investors a degree of resilience in normal market conditions.

Divide and Conquer! The performance of global fixed income sectors varies according to market conditions and economic backdrop

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highest Return	EMD (USD)		Mortgages	Gibl Govt Inflation Linked (USD)	Global High Yield (USD)	Gibl Govt Inflation Linked (USD)	EMD (USD)	Global High Yield (USD)	Gibl Govt Inflation Linked (USD)	Global Govt Bonds (USD)
	0-3 month US Treasury Bills	Mortgages	EMD (USD)	Global Govt Bonds (USD)	EMD (USD)	Global High Yield (USD)	EMD Local	EMD (USD)	Global Govt Bonds (USD)	Mortgages
	Global High Yield (USD)	0-3 month US Treasury Bills	Global Corporate (USD)		Gibl Govt Inflation Linked (USD)	EMD (USD)	0-3 month US Treasury Bills	EMD Local	Global Corporate (USD)	0-3 month US Treasury Bills
	Mortgages	Gibl Govt Inflation Linked (USD)	0-3 month US Treasury Bills	EMD Local	Global Corporate (USD)	EMD Local	Mortgages	Global Corporate (USD)	Mortgages	EMD Local
	Gibl Govt Inflation Linked (USD)	Global Corporate (USD)	Global High Yield (USD)	EMD (USD)	Global Govt Bonds (USD)		Global High Yield (USD)	Gibl Govt Inflation Linked (USD)	EMD (USD)	Gibl Govt Inflation Linked (USD)
	Global Corporate (USD)	Global Govt Bonds (USD)	Gibl Govt Inflation Linked (USD)	Mortgages	EMD Local	Global Corporate (USD)	Gibl Govt Inflation Linked (USD)	Global Govt Bonds (USD)	EMD Local	Global Corporate (USD)
	Global Govt Bonds (USD)	Global High Yield (USD)	Global Govt Bonds (USD)	0-3 month US Treasury Bills	Mortgages		Global Corporate (USD)	Mortgages	0-3 month US Treasury Bills	EMD (USD)
Lowest Return	EMD Local Data Not Available			Global High Yield (USD)	0-3 month US Treasury Bills		Global Govt Bonds (USD)	0-3 month US Treasury Bills	Global High Yield (USD)	

Source: Bloomberg. 0-3mth US Treasury Bills: Merrill Lynch US Treasury Bills 0-3 Months, EMD Local: JP Morgan Global Bond Index Emerging Market Local Unhedged, EMD (USD): Merrill Lynch USD Emerging Market Sovereign Plus Index, Global Corporate (USD): Merrill Lynch Global Broad Market Corporate Index, Global Govt Bonds (USD): Merrill Lynch Global Government Bond Index, Global Govt Inflation Linked (USD): Merrill Lynch Global Governments, Inflation-Linked Index, Global High Yield (USD): Merrill Lynch Global High Yield Index, Mortgages: Merrill Lynch Mortgage Master Index.

### Why this Fund?

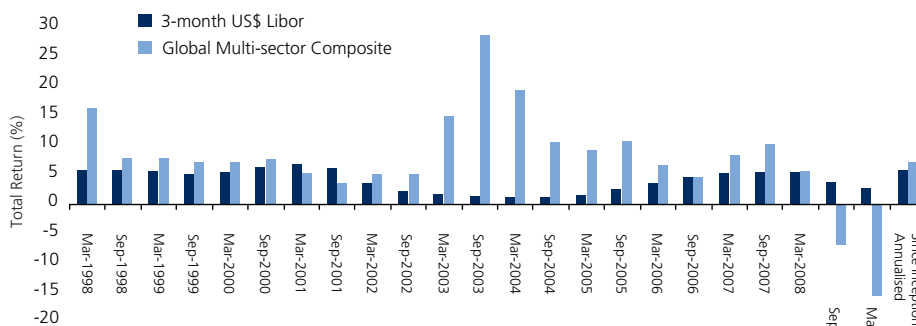
The Fund is managed by Western Asset Management, a wholly owned subsidiary of Legg Mason, and one of the world's largest fixed income managers. Western Asset employs its vast experience and global reach to take a highly innovative and diversified approach to managing fixed income:

- Current yield **8.22%\***
- The manager has the flexibility to span the entire fixed income spectrum to uncover fixed income opportunities across a wide range of bonds
- The Fund aims to minimise volatility of returns, in normal market conditions, by offering greater diversification across global fixed income sectors
- Base currency US dollars, with Euro and Sterling hedged share classes
- Offers enhanced return potential by actively rotating between and within major global fixed income sectors as situations change. The manager has the freedom to maximise total returns with its flexible, free ranging approach
- Western Asset has a proven long-term track record of managing similar strategies as demonstrated in the chart (right).

### The value of a global multi sector approach over the long term

Performance shown is in US dollars, on a monthly, rolling one-year basis, and reflects Western Asset's long-term track record in this strategy.

- **Positive absolute returns on a 12-month rolling basis since inception of strategy in 1996: 95% of the time**



Source: Western Asset as at 31/03/09, gross of investment management fees. This composite data has been used to demonstrate the longer term track record of the investment manager in managing Western's Global Multi Strategy product. Past performance of the above composite is not indicative of the performance of the Legg Mason Global Multi Strategy Bond Fund due to a number of differences in the way the products are managed. Past performance is no guide to future performance and may not be repeated. For further information, please see the Important Information section.

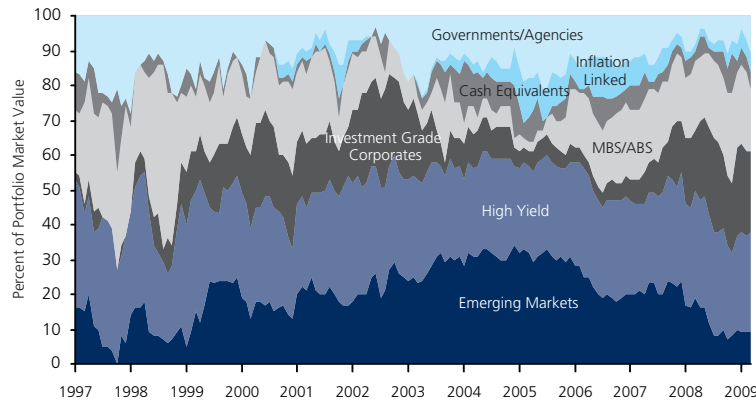
\* Source: Western Asset. As at 31/05/09, net of fees and gross of tax. No assurance can be given that the distribution yield will be maintained.

# Western Asset Global Multi Strategy Fund



## A working example of Sector Asset Allocation

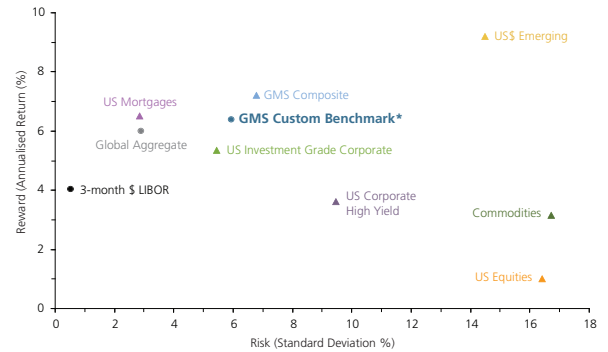
Calendar year basis



Figures to 31/03/09. Source: Lehman Brothers, JP Morgan and Bloomberg. The data has been used to demonstrate the longer term portfolio positioning of the investment manager when managing the Global Multi Sector strategy. There are differences between the above composite and the Western Asset Global Multi Strategy Fund, including differences in the number of holdings, strategy, the amount of assets under management, cash flows, fees and expenses, and applicable regulatory requirements, including investment and borrowing restrictions. The portfolio composition is, therefore, not indicative of the future portfolio composition of the Western Asset Global Multi Strategy Fund.

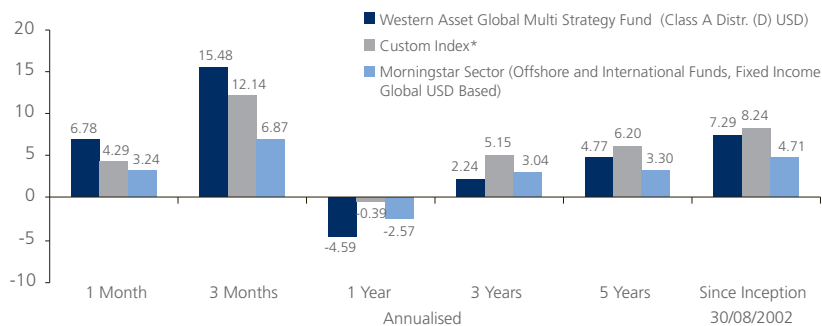
## Longer term Track Record of Investment Manager

Illustrates the investment manager's alpha-generating techniques



Figures to 31/03/09. Source: Barclays Capital, JP Morgan and Bloomberg. Performance shown is gross of investment management fees. The data has been used to demonstrate the longer term track record of the investment manager in managing the Western Asset Global Multi Strategy Fund. There are differences between the above composite and the Western Asset Global Multi Strategy Fund, including differences in the number of holdings, strategy, the amount of assets under management, cash flows, fees and expenses, and applicable regulatory requirements, including investment and borrowing restrictions. The past performance of the above composites is, therefore, not indicative of the future performance of the Western Asset Global Multi Strategy Fund.

## Proven Track Record



Source: Western Asset as of 31 May 2009. Performance shown is net of investment management fees. \*As of 31/10/2008 the Custom Index is comprised of 50% Barclays Capital Global Aggregate Index, 25% Barclays Capital U.S. Corporate High Yield - 2% Issuer Capped Index (Lehman Brothers U.S. High Yield Index prior 01/12/2005), 25% JP Morgan EMBI + Index. Please note effective October 31, 2008, all indices previously called "Lehman Brothers" have been renamed "Barclays Capital". This change is a name change only due to Barclays Capital's re-branding of its unified family of indices. Past performance is not an indicator of future results and may not be repeated.

## Sector Allocation\*\*

High Yield	26.86%
Investment Grade	17.64%
Residential Mortgage Backed	15.87%
Emerging Markets - External Corporate	8.69%
Governments	8.35%
Emerging Markets - External Sovereign	7.46%
Inflation Protected Securities	4.70%
Emerging Markets - Local Sovereign	3.85%
Asset Backed Securities	0.20%

\*\* Source: Western Asset as at 31/04/09, based on Western Asset's Global Multi Sector composite. The Legg Mason Global Multi Strategy Bond Fund may not have the same underlying holdings as the composite. For further details see Important Information.

The Western Asset Global Multi Strategy Fund is a sub-fund of Legg Mason Global Funds plc, an umbrella fund with segregated liability between sub-funds, established as an open-ended investment company with variable capital and incorporated with limited liability under the laws of Ireland with registered number 278601. It qualifies and is authorised in Ireland by the Financial Regulator as an undertaking for collective investment in transferable securities and is a section 264 Scheme as recognised by the FSA. This Fund is offered solely to non-US investors under the terms and conditions of the Fund's current prospectus – please refer to the Simplified Prospectus and Prospectus documentation, which describe the full risk factors associated with this Fund.

This document does not constitute an invitation to invest. The value of investments and the income from them can go down as well as up and investors may not get back the amounts originally invested. Fluctuations in exchange rates can affect the value of the Fund and the income from it. These funds may invest in 'non-investment grade' bonds, which carry a higher degree of default risk than 'investment grade' bonds. The Western Asset Global Multi Strategy Fund may invest in emerging markets that may be less liquid and may have less reliable custody arrangements than mature markets and may involve a higher degree of risk. Unlike a bank or building society account, your money is at risk.

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