

Legg Mason Global Multi Strategy Bond Fund



Fund Details

Investment Objective:

The objective of this Fund is to maximise total return through income and capital appreciation by diversifying across a range of fixed income securities, sectors and currencies.

Key Investment Risks:*

Interest rate risk
Credit risk
Emerging markets risk
Hedging risk
Derivative investment risk
Annual management charge from capital

Fund Inception Date:

23.05.2008

Performance Inception Date:

23.05.2008

Benchmark:

50% BarCap Global Aggregate Index (GBP Hedged);
25% BarCap U.S. Corporate High Yield - 2% Issuer Capped Index (GBP Hedged); 25% JPMorgan EMBI+ Index (GBP Hedged)

Morningstar Sector:

UK Registered Investment Funds, (IMA) Global Bond

Total Net Assets:

615.01m GBP

Month End NAV (Class A Inc. (M) GBP):

1.01 GBP

ISIN/SEDOL Numbers (Class A Inc. (M) GBP):

GB00B2R8FG10 / B2R8FG1

Annual Management Charge (Class A Inc. (M) GBP):

1.25% p.a.

Number of Holdings:

479

Percentage of Top Ten Holdings:

22.84%

Risk Statistics (Weighted Average):

Credit Quality: BBB+
Effective Duration: 4.85 years
Life: 7.20 years

Net Yields (Class A Inc. (M) GBP):

Distribution Yield: 5.00%
Underlying Yield: 3.70%

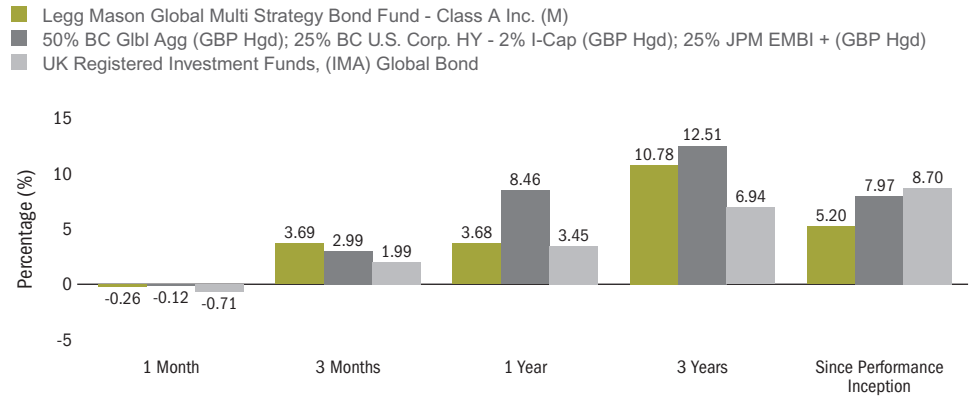
Average Life (%):

More than 15 Years 12.06
10-15 Years 3.77
5-10 Years 44.80
1-5 Years 27.57
Less than 1 Year 0.95
Cash & Cash Equivalents 10.85

Credit Quality Breakdown (%):

AAA 21.31
AA 1.01
A 12.33
BBB 22.93
BB 22.91
B 7.23
CCC & Below 1.14
Not Rated 0.30
Cash & Cash Equivalents 10.85

Annualised Fund Performance (GBP)



Performance History (GBP)

Calendar Year Performance	YTD	2011	2010	2009	2008
Class A Inc. (M)	3.65%	0.70%	6.96%	21.50%	–
Benchmark	2.99%	6.50%	8.95%	22.04%	–
Morningstar Sector	1.99%	1.52%	8.72%	7.31%	–
Rolling 12 Month Performance to End of Current Quarter	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Class A Inc. (M)	3.68%	3.83%	26.27%	–	–
Benchmark	8.46%	7.00%	22.74%	–	–
Morningstar Sector	3.45%	2.46%	16.74%	–	–

Source for performance figures: Legg Mason. Performance is calculated on a NAV to NAV basis. Performance calculations include reinvested dividends, with deduction of withholding tax, and the deduction of the Total Expense Ratio over the calculated period. Sales charges, taxes and other locally applied costs to be paid by an investor have not been deducted. Performance greater than one year is annualised. **Source for sector median performance:** Copyright - © 2012, Morningstar, Inc. All Rights Reserved. For more information, visit www.morningstar.co.uk.

Past performance is no guide to future returns and may not be repeated.

Top Ten Holdings

Holding	Coupon %	Maturity	%	Holding	Coupon %	Maturity	%
Bundesobligation	0.750	2017	5.74	Mex Bonos Des. F.R. Bd	8.000	2020	2.00
US Treasury Note	3.125	2019	2.90	Nota do Tes. Nacional	10.000	2017	1.73
Bundesobligation	3.250	2020	2.48	Malaysian Govt Bond	3.835	2015	1.32
Bund. Deutschland	2.000	2016	2.29	Russian Foreign Bond	7.500	2030	1.12
US Treasury Bond	4.625	2040	2.21	Rep. of Venezuela	5.750	2016	1.05

Sector Breakdown (%)

Corporate - High Yield	24.71	EMD - Local Sovereign	5.89
Government - Nominal	18.93	Asset-Backed Securities	1.58
Corporate - Investment Grade	14.86	Mortgage-Backed Securities	1.57
EMD - External Corporate	13.37	Cash & Cash Equivalents	10.85
EMD - External Sovereign	8.24		

Country of Issue Breakdown (%)

United States	27.37	Mexico	4.01	Malaysia	1.37
Germany	11.82	Russia	3.53	Indonesia	1.19
OEIC ¹	9.68	Venezuela	1.84	Chile	1.18
United Kingdom	8.16	Colombia	1.74	Others	9.33
Brazil	6.52	Peru	1.41	Cash & Cash Equivalents	10.85

¹ OEIC refers to an Open Ended Investment Company which may have exposure to more than one country.

Legg Mason

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Investment Advisor

Western Asset Management focuses primarily on the management of fixed income portfolios, taking a fundamental approach to money management that is continually fine-tuned and adapted to changing conditions.

When making investment decisions, Western Asset focuses on areas such as sector allocation, issue selection, duration weighting and maturity.

Investment Risk

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. The value of investments and the income from them can be affected by changes in interest rates, in exchange rates, general market conditions, political, social and economic developments and other variable factors.

Interest rate risk: This Fund holds fixed income investments and may be affected by changes in interest rates.

Credit risk: This Fund may invest in 'non-investment grade' bonds, which carry a higher degree of default risk than 'investment grade' bonds.

Emerging markets risk: This 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.

Hedging risk: This Fund may use eligible derivatives to hedge their foreign currency exposure back to the base currency, pounds sterling. Hedging transactions can reduce the effects of currency and asset fluctuations but can expose additional risks, e.g. counterparty default.

Derivative investment risk: This Fund may invest in certain types of financial derivative instruments (FDIs) for efficient portfolio management or investment purposes. These instruments may involve a higher degree of risk.

Annual management charge from capital: This Fund has its annual management charge levied against capital, which may adversely affect the capital growth of the Fund.

Please refer to the Simplified Prospectus and Prospectus documentation, which describe the full objective and risk factors associated with this Fund.

Definitions

Standard & Poor's Fund Management Rating: Funds rated in the Platinum, Gold, Silver and Bronze categories demonstrate to Standard & Poor's an ability to provide above average volatility adjusted returns over a long term period (relative to funds in the same sector) along with a strong ability to adhere to a consistent investment process. The differentiation in the rating categories is based on quantitative factors along with Standard & Poor's assessment of the investment process and management. The rating is based on an evaluation of qualitative (management, investment process, and organisation) and quantitative (historic performance, portfolio construction, and volatility) factors, which contribute to long-term performance. The rating does not address the market, credit or counterparty risk of a fund, nor a fund's suitability as a counterparty or obligor. For more information, visit www.funds.standardandpoors.com.

Morningstar Sector: The IMA sector within the UK Registered Investment Fund class is a category that seeks to provide the optimum balance of like for like UK-domiciled investments for the publication in media and web portals.

Life: The average number of years for which each component of unpaid principal on a bond, loan or mortgage remains outstanding. The weighted average life calculation provides an aggregate figure that shows how many years it will take to pay off half the outstanding principal on a bond portfolio.

Effective Duration: Average Duration equals the weighted average maturity of all the cash flows in the portfolio and gives an indication of the sensitivity of a portfolio's bond prices to a change in interest rates. The higher the duration, the more sensitive the portfolio is to interest rate changes. Effective Duration is a calculation for bonds with embedded options (Not every portfolio will purchase bonds with embedded options). It takes into account the expected change in cash flows caused by the option, as interest rates change. If a portfolio does not hold bonds with embedded options, then the Effective Duration will be equal to the Average Duration.

Credit Quality: Nationally Recognised Statistical Rating Organisation's (NRSRO's) assess the likelihood of bond issuers defaulting on a bond's coupon and principal payments. The weighted average credit quality by Western Asset Management assigns each security the higher rating from three NRSRO's (Standard & Poor's, Moody's Investor Services and Fitch Ratings, Ltd.). If only one NRSRO assigns a rating, that rating will be used. Securities that are not rated by all three NRSRO's are reflected as such. The lower the overall credit rating, the riskier the portfolio. The credit rating is expressed as a regular letter rating (from high to low quality): AAA, AA, A, BBB, BB, ...D.

Distribution Yield: The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the Net Asset Value of the class as at the reported date. It is based on a snapshot of the portfolio on that day. It does not include any subscription charges and investors may be subject to tax on distributions.

Underlying Yield: The Underlying Yield reflects the annualised income net of expenses of the class as a percentage of the Net Asset Value of the class as at the reported date. It is based on a snapshot of the portfolio on that day. It does not include any subscription charges and investors may be subject to tax on distributions.

Important Information

This is a sub-fund of Legg Mason Funds ICVC, an umbrella fund established as an investment company with variable capital, and is authorised in the UK by the Financial Services Authority as an undertaking for collective investment in transferable securities.

This sub-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 objective and risk factors associated with this sub-fund. Before investing you should carefully read the Prospectus. Copies of prospectuses, simplified prospectus, semi-annual and annual reports, if published, may be obtained at: Legg Mason Global Asset Management, PO Box 10649, Chelmsford, CM99 2BD.

This information does not constitute any investment advice or investment recommendations. Please consult a financial advisor before making any investment decisions. The analysis of this document is based on historic data, collected by Legg Mason Investments (Europe) Ltd. sourced from Legg Mason and Morningstar Inc. for its own use; the data is communicated for information purposes only.