

**LEGG MASON GLOBAL FUNDS PLC**  
**Riverside Two**  
**Sir John Rogerson's Quay**  
**Grand Canal Dock**  
**Dublin 2, Ireland**

19 November 2018

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.**

**This is not a proxy form and as such does not require you to vote. This document is important, however, and requires your attention. If you are in any doubt as to the action you should take you should seek advice from your investment consultant. However, unless you wish to place an order to purchase, redeem or exchange shares of Legg Mason Global Funds Plc (the "Company"), you do not need to act following receipt of this document.**

**If you have sold or transferred all of your shares in the Company, please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.**

**Unless otherwise defined in this document, all capitalised terms have the same meaning as capitalised terms used in the Company's latest Hong Kong Extract Prospectus (the "Hong Kong Extract Prospectus"). Copies of the Hong Kong Extract Prospectus and the Product Key Facts Statements of the funds of the Company authorized by the Securities and Futures Commission ("SFC") (together the "Hong Kong Offering Documents"), as well as the Articles of Association and the latest annual and semi-annual reports of the Company are available free of charge upon request during normal business hours from your distributor or the Hong Kong Representative. The latest Hong Kong Offering Documents are also available at <http://www.leggmason.com.hk/><sup>1</sup>**

**The Directors of the Company accept full responsibility for the accuracy of the information contained in this notice and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**Dear Shareholder,**

**RE: Amendments to the Hong Kong Offering Documents**

We are writing to you, a shareholder in the Company, to notify you of certain changes that are to be made to the SFC authorized funds of the Company and updates/amendments to the Hong Kong Offering Documents, which are summarised as follows:

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<sup>1</sup> This website has not been reviewed by the Securities and Futures Commission of Hong Kong.

## **I. Changes Relevant to All Funds**

### ***1. Directors' Fees***

Subject to the approval of the Shareholders at the Annual General Meeting of the Company to be held on 23 November 2018 (the “AGM”), the maximum individual remuneration payable to the Directors who is not an employee of a Legg Mason Group company shall be increased. The existing disclosure in the Prospectus regarding the maximum Directors’ remuneration shall be replaced by the following:

*“Each Director who is not an employee of a Legg Mason Group company shall be entitled to fees by way of remuneration for his or her services at a rate to be determined from time to time by the Directors, provided that the annual fees paid to each Director shall not exceed Euro 200,000. The foregoing limit shall not be increased without Shareholders’ prior approval. In addition, each Director of the Company shall be entitled to reimbursement for any out-of-pocket expenses.”*

For more details, please refer to the relevant AGM notice to Shareholders of this Fund circulated on 12 October 2018.

### ***2. Miscellaneous***

- a. Subject to the approval of the Shareholders at the AGM, the disclosure permitting the Funds to issue bearer shares will be removed, as the Funds do not in practice issue any bearer shares and are no longer permitted to do so under Irish law. For more details, please refer to the relevant AGM notice to Shareholders of this Fund circulated on 12 October 2018.
- b. The disclosure regarding the annual and semi-annual reports of the Company will be revised, to provide that the reports will be posted on <http://www.leggmason.com.hk/><sup>2</sup> and emailed to Shareholders. Shareholders who have not provided their email address to the Company will be notified by mail when the annual and semi-annual reports have been posted on the website and can ask to receive paper copies free of charge. The latest annual and semi-annual reports of the Company will continue to be available free of charge upon request during normal business hours from your distributor or the Hong Kong Representative.
- c. In the “Currency Transactions” section, new disclosure will require that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Hedged Share Class which is to be hedged, in addition to the existing requirement that over-hedged positions shall not exceed 10% of the portion of the Net Asset Value of the Hedge Share Class. This additional disclosure is required by the Central Bank of Ireland.
- d. New language will be added to enhance disclosure and to reflect the current practice that any cash rebates from a broker or dealer in consideration of Fund brokerage transactions directed to that broker or dealer will not be retained by the Manager, the Investment Manager, the Sub-Investment Manager or any of their connected persons.
- e. The disclosure regarding the use of soft commissions will be revised, to provide that the Company will not bear the costs of external research obtained by the Manager, the Investment Managers and Sub-Investment Managers. Such costs will be borne by the relevant Investment Manager or Sub-Investment Manager. This disclosure change reflects a policy decision made by the Company.

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<sup>2</sup> This website has not been reviewed by the Securities and Futures Commission of Hong Kong.

- f. The Hong Kong Offering Documents currently state that any changes to investment objectives and policies of Funds that are approved by Shareholders will become effective on the second Dealing Day following the Shareholders' approval. This will be revised to provide that the effective date of such changes will be the effective date of the relevant revised Irish Prospectus required by the Central Bank of Ireland and will be advised in the relevant notice to Shareholders.
- g. Repurchase and reverse repurchase transactions involve the sale of securities with an agreement to repurchase them at a later date. The Hong Kong Offering Documents refer to "repurchase agreements" as transactions whereby a Fund receives securities from a counterparty subject to a commitment to sell them back at a later date, and refers to "reverse repurchase agreements" as transactions whereby a Fund sells securities to a counterparty subject to a commitment to repurchase them at a later date. The new European Union money market fund regulations instead defines repurchase agreements as transactions whereby a fund *sells* securities subject to a commitment to repurchase, and reverse repurchase agreements as transactions whereby a fund *receives* securities subject to a commitment to sell them back. The Hong Kong Offering Documents will be revised to align with the new rules, and to ensure consistency throughout the Hong Kong Offering Documents, references to "repurchase agreements" will be changed to "reverse repurchase agreements", and references to "reverse repurchase agreements" will be changed to "repurchase agreements". This does not represent any change in the actual instruments being used and does not have any change in the operation and/or manner in which the Funds are being managed.
- h. All references to Brady Bonds will be deleted from the Hong Kong Offering Documents, as this type of bond is no longer issued or in circulation.
- i. A correction will be made to disclosure regarding put options. The current disclosure refers to cover requirements applicable to put options. The disclosure is being corrected to refer to sold options rather than purchased options. The changes to be made are as follows:
 

*“Put options may be ~~purchased~~ sold on condition that the relevant Fund complies with the cover requirements described above under “Cover Requirements”. Index put options may be ~~purchased~~ sold provided that all of the assets of the Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option ~~purchased~~ sold, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.”*
- j. The disclosure regarding any legal or arbitration proceedings involving the Company will be deleted, as this disclosure is not required due to the fact that the Funds are no longer listed on the Irish Stock Exchange. Ongoing litigation that is considered a significant event under the applicable accounting standards will continue to be disclosed in the Company's financial statements.

## **II. Changes to Certain Funds**

The Fund Supplements and Product Key Facts Statements of certain Funds will be re-formatted, to shorten them and to consolidate fee and share class information.

Please refer to the table in Schedule A for a summary of the substantive changes to be made to certain Fund Supplements and Product Key Facts Statements.

### **III. Impact and Effective Date of the Changes**

The changes set out in this notice (except for those to be voted on at the AGM and the Extraordinary General Meeting (the “EGM”)) do not affect the overall features and risk profile of the relevant Funds, nor will they materially prejudice the rights or interests of existing Shareholders of the relevant Funds. There will also be no material change in the operation and/or manner in which the relevant Funds are being managed and there will be no change in the fee structure, the fee level or cost in managing the relevant Funds.

The costs and expenses incurred which arise from or are incidental to the above changes will be borne by the Funds, including legal and administrative costs, and will be allocated amongst the Funds on a fair and equitable basis. Such costs will not be material and will be charged to the Funds.

All changes set out in this notice will take effect on the date the revised Irish Prospectus (reflecting the abovementioned changes) have been approved by the Central Bank of Ireland (the “Effective Date”). It is expected that the Effective Date will be on or about 14 January 2019.

The Hong Kong Offering Documents will be updated to reflect the abovementioned changes as necessary in due course.

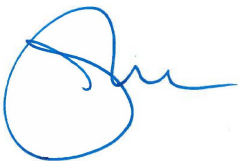
### **Redemption of Shares**

Shareholders who do not wish to remain in a Fund following the implementation of any of the above changes may redeem their Shares, free of charges from the date of this notice until and excluding the Effective Date by following the usual redemption procedures as set out in the Hong Kong Offering Documents. However, if you deal via any bank, relevant distributor or financial adviser, you should note that they may charge you transaction or adviser fees (as the case may be) in respect of any such redemption request and you should check with such distributor or financial adviser, as necessary.

### **IV. Enquiries**

The Directors consider that the proposed changes are in the best interests of the Shareholders as a whole. Should you have any questions relating to these matters, you should either contact us at the above address or alternatively you should contact your financial advisor, your distributor or the Hong Kong Representative at Suites 1202-03, 12/F, York House, The Landmark, 15 Queen's Road Central, Hong Kong (Investor Hotline +852 3652 3088).

Yours sincerely,



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Director  
For and on behalf of  
Legg Mason Global Funds Plc

## Schedule A

### Changes to certain Funds

Fund	Changes to the Fund	Rationale
<b>Equity Funds</b>		
Legg Mason ClearBridge US Appreciation Fund	Disclosure will be added to explain further how sustainability aspects are considered in managing the Fund.	The new disclosure will meet certain Swedish disclosure requirements regarding sustainability, to enable continued distribution of the Fund in Sweden.
Legg Mason ClearBridge US Aggressive Growth Fund	Disclosure will be added to explain further how sustainability aspects are considered in managing the Fund.	The new disclosure will meet certain Swedish disclosure requirements regarding sustainability, to enable continued distribution of the Fund in Sweden.
Legg Mason ClearBridge US Large Cap Growth Fund	Disclosure will be added to explain further how sustainability aspects are considered in managing the Fund.	The new disclosure will meet certain Swedish disclosure requirements regarding sustainability, to enable continued distribution of the Fund in Sweden.
Legg Mason ClearBridge Value Fund	The minimum investment in equities will change from 50% to 51% of the Fund's Net Asset Value.	This change is intended to ensure that the Fund obtains a certain tax classification relevant for German investors in the Fund. It will have no practical impact for the Fund, as the Fund already invests well over 51% of its Net Asset Value in equities.
Legg Mason QS Emerging Markets Equity Fund	The Fund's minimum allocation to equity securities (including common stocks and preferred shares) of companies whose seat, registered office or principal activities are in Emerging Market Countries, and that are listed or traded on Regulated Markets, will increase from 70% to 80% of the Fund's Net Asset Value. This is an immaterial change to the Fund's existing investment policy.	The higher minimum reflects the investment manager's intention to continue investing at least 80% of the Fund's net asset value in Emerging Market Countries.
	New disclosure will provide that the Fund may invest up to 10% of its Net Asset Value in certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (the "Stock Connects"). As a result, the Fund will be subject to the risk of investing in China A-Shares via the Stock Connects. China Market Risks will be added a primary risk for the Fund. This is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wishes to have the ability to invest in China A-Shares via the Stock Connects.

Legg Mason QS MV Asia Pacific Ex Japan Equity Growth and Income Fund	China Market Risk will be deleted as a primary risk of the Fund. This is an immaterial change to the Fund's existing investment policy.	This change is being made because China is not a primary market for investments by the Fund.
<b>Fixed Income Funds</b>		
Legg Mason Brandywine Global Fixed Income Fund	The reference in the investment policies to the Citigroup World Government Bond Index will be changed to the FTSE World Government Bond Index.	This is to reflect a change in the provider of the index – this is not a change to the index itself.
Legg Mason Western Asset Emerging Markets Corporate Bond Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
Legg Mason Western Asset Global Credit Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
	The Risk of Unsecured European Bank Debt Instruments will be added as a primary risk of the Fund. There is no change to the extent the Fund is exposed to unsecured European bank debt instruments and this is a clarification to the Fund's existing investment policy.	The Fund may invest more than a nominal amount in such instruments, which could present a primary risk for the Fund.
Legg Mason Western Asset Global High Yield Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
Legg Mason Western Asset Global Inflation Management Fund	Disclosure will be added to provide that the Fund may invest in non-US dollar denominated securities, currencies, and derivatives, provided that the aggregate exposure to currencies other than the US Dollar (after hedging) is no more than 50% of the Fund's Net Asset Value. This is an immaterial variation of the examples of underlying instruments invested by the Fund under the Fund's existing investment policy.	The disclosure provides additional information about the currency exposure of the Fund after hedging.

Legg Mason Western Asset Global Multi Strategy Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
	The minimum percentage investment in Investment Grade debt securities will be revised to 40% of the Fund's Net Asset Value – deposits will no longer be excluded for purposes of the calculation. This is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager has requested this change as it allows for systematic compliance monitoring of the restriction.
Legg Mason Western Asset Short Duration Blue Chip Bond Fund	The Risk of Unsecured European Bank Debt Instruments will be added as a primary risk of the Fund. There is no change to the extent the Fund is exposed to unsecured European bank debt instruments and this is a clarification to the Fund's existing investment policy.	The Fund may invest in such instruments and this may present a primary risk for the Fund.
Legg Mason Western Asset Short Duration High Income Bond Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
Legg Mason Western Asset US Core Bond Fund	The current disclosure permits the Fund to invest in asset-backed securities (ABS) and mortgage-backed securities (MBS). Disclosure will be added to provide that the extent of such investment may be up to 75% of the Fund's Net Asset Value.	Information regarding the maximum exposure to ABS and MBS provides more specific information to investors regarding the extent of investment in these instruments.
	Disclosure will be also be added to provide that the Fund may invest in ABS and MBS securities that embed derivatives, and options on swaps. This is an immaterial variation of the examples of underlying instruments invested by the Fund under the Fund's existing investment policy.	The Sub-Investment Manager want the flexibility to invest in ABS and MBS that embed derivatives, and in options on swaps. Currently, the Fund is able to invest in ABS and MBS that do not embed derivatives.

Legg Mason Western Asset US Core Plus Bond Fund	The current disclosure permits the Fund to invest in ABS and MBS. Disclosure will be added to provide that the extent of such investment may be up to 75% of the Fund's Net Asset Value.	Information regarding the maximum exposure to ABS and MBS provides more specific information to investors regarding the extent of investment in these instruments.
	Disclosure will also be added to provide that the Fund may invest in ABS and MBS that embed derivatives, and options on swaps. This is an immaterial variation of the examples of underlying instruments invested by the Fund under the Fund's existing investment policy.	The Sub-Investment Managers want the flexibility to invest in ABS and MBS that embed derivatives, and in options on swaps. Currently, the Fund is able to invest in ABS and MBS that do not embed derivatives.
	The current disclosure provides that the Fund may invest up to 30% of its Net Asset Value in certain assets, including zero coupon securities. The reference to zero coupon securities will be clarified to provide that such securities issued by the US government and its agencies are excluded. This is an immaterial change to the Fund's existing investment policy.	Zero coupon securities issued by the US government and its agencies are Investment Grade debt securities that count towards the 70% minimum investment in US-issued, Investment Grade debt securities stated in the first paragraph of the investment policies.
Legg Mason Western Asset US High Yield Fund	Disclosure will be added to provide that the Fund may invest in options on swaps. There is no change to the maximum leverage for financial derivative instruments usage and this is an immaterial change to the Fund's existing investment policy.	The Sub-Investment Manager wants the flexibility to invest in these instruments.
<b>Money Market Fund</b>		
Legg Mason Western Asset US Money Market Fund (to be renamed Legg Mason Western Asset US Government Liquidity Fund)	Subject to the approval of the Shareholders at the EGM of the Company to be held, substantive changes will be made to the investment policies of the Fund. The changes were described in detail in the materials circulated in advance of the Shareholder meeting. Shareholders wanting more information should contact their distributor or Legg Mason representative. For more details, please refer to the relevant EGM notice to shareholders of this Fund circulated on 19 October 2018.	The changes are being made to conform to the new EU money market fund regulations that come into effect in January 2019.