

Semi-Annual Report (Unaudited)

Legg Mason
Alternative Funds ICAV

An Irish collective asset-management vehicle with variable capital having registration number C139549 and established as an umbrella fund with segregated liability between sub-funds

For the six months ended 31 December 2018

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General Information

Board of Directors*

Brian Collins (Ireland) (Independent)
 Fionnuala Doris (Ireland) (Independent)
 Joseph Keane (Ireland) (Independent)
 Joseph Carrier (U.S.)
 Joseph LaRocque (U.S.)
 Jane Trust (U.S.)

Registered Office of the ICAV

10 Earlsfort Terrace
 Dublin 2, Ireland

Manager***

Legg Mason Investments (Ireland) Limited
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 Dublin 4, Ireland

Registered Office:
 10 Earlsfort Terrace
 Dublin 2, Ireland

Investment Manager

EnTrustPermal Ltd.
 12 St. James's Square
 London SW1Y 4LB
 United Kingdom

Independent Auditors

PricewaterhouseCoopers
 Chartered Accountants & Registered Auditors
 One Spencer Dock
 North Wall Quay
 Dublin 1, Ireland

Distributors and Shareholder Servicing Agents

Legg Mason Investor Services, LLC
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 U.S.A.

Legg Mason Investments (Europe) Limited
 201 Bishopsgate
 London EC2M 3AB

Legg Mason Asset Management Hong Kong Limited
 12/F, York House
 15 Queen's Road Central
 Hong Kong

Legg Mason Asset Management Singapore Pte. Limited
 1 George Street, # 23-02
 Singapore 049145

* All of the Directors are non-executive Directors.

** The Prospectus, the instrument of incorporation, the KIID, the annual and semi-annual reports of the Fund may be obtained free of charge from the Swiss Representative. In respect of the Shares distributed in and from Switzerland to Qualified Investors, the place of performance and the place of jurisdiction is at the registered office of the Swiss Representative.

*** Appointed effective 21 December 2018.

Administrator

State Street Fund Services (Ireland)
 Limited
 78 Sir John Rogerson's Quay
 Dublin 2, Ireland

Secretary

Bradwell Limited
 Arthur Cox Building
 Earlsfort Terrace
 Dublin 2, Ireland

Irish Legal Adviser

Arthur Cox
 10 Earlsfort Terrace
 Dublin 2, Ireland

Depository

State Street Custodial Services (Ireland)
 Limited
 78 Sir John Rogerson's Quay
 Dublin 2, Ireland

Swiss Representative**

First Independent Fund Services Ltd
 Klausstrasse 33
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 Switzerland

Swiss Paying Agent

NPB New Private Bank Ltd
 Limmatquai 1/am Bellevue
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Investment Manager's Report

Market review for EnTrustPermal Alternative Income Strategy

Global Economic Review

The global economy continued to expand during the six months ended 31 December 2018, but the pace moderated. In its October 2018 World Economic Outlook Update, the International Monetary Fund ("IMF") said, "Global growth for 2018 -19 is projected to remain steady at its 2017 level, but its pace is less vigorous than projected in April [2018] and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded." From a regional perspective, the IMF projected that 2018 growth in the Eurozone would be 2.0%, versus 2.4% in 2017. Japan's economy was expected to expand 1.1% in 2018, compared to 1.7% in 2017. Elsewhere, the IMF projected that overall growth in emerging market countries would be 4.7% in 2018, the same as in 2017.

Market Review – Fixed Income fixed

Global fixed income markets posted a modest gain during the six-month reporting period. In the US, the US Federal Reserve Board (the "Fed") raised interest rates two times during the reporting period, for a total of four rate hikes in 2018. The Fed currently anticipates raising rates two additional times in 2019. After initially moving higher, both short and longer-term yields declined due to flight to quality late in the year. Longer-term sovereign yields in Europe fluctuated, but remained relatively low over the reporting period. Elsewhere, investment-grade corporate bonds posted a modest gain, whereas lower-rated corporate bonds weakened, partially driven by a selloff in the fourth quarter of 2018. Meanwhile, emerging market sovereign debt edged higher over the reporting period.

Market Review – Global Equities

Global equities performed poorly during the reporting period. In the US, the market rose over the half of the period, driven by generally robust corporate profits. However, those gains were erased in the fourth quarter of 2018 amid concerns over future Fed rate hikes, global trade tensions, plunging technology stocks, sharply falling oil prices and a partial US government shutdown. Non-US equities generated even weaker results during the reporting period. Slower growth, less monetary support by a number of central banks, fears of a global trade war, Brexit uncertainties and several other geopolitical issues negatively impacted investor sentiment.

Yours sincerely,

Legg Mason Investments (Ireland) Limited

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results.

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- i Fixed income – bonds.
- ii Federal Reserve Board (the "Fed") – is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- iii Interest rates – rates charged or paid for the use of money.
- iv Investment grade – a credit rating that means a government or corporate bond has a relatively low risk of default.
- v Corporate bond – a bond issued by a corporation to raise money effectively in order to expand its business.
- vi Emerging markets – in investment terms, countries whose financial markets are less developed and where investor protection and market infrastructure is often weaker than in developed markets such as the UK.
- vii Equity – ownership interest in a corporation in the form of common stock or preferred stock.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments

Face Value (000's)	Value (000's) US\$	% of NAV
Transferable Securities — 69.19%		
Bonds — 63.58%		
Argentina — 2.94% (30 June 2018: 2.21%)		
2,300 Argentine Republic Government International Bond 5.625% due 26/01/22	1,940	0.50
2,000 Argentine Republic Government International Bond 7.625% due 22/04/46	1,449	0.37
500 Banco Macro SA 6.750% due 04/11/26^	404	0.10
891 Capex SA 6.875% due 15/05/24	740	0.19
2,625 Cia Latinoamericana de Infraestructura & Servicios SA 9.500% due 20/07/23	1,695	0.44
2,200 Mastellone Hermanos SA 12.625% due 03/07/21	2,210	0.57
750 Provincia de Buenos Aires 6.500% due 15/02/23 (Luxembourg quotation)	604	0.16
750 Provincia de Buenos Aires 6.500% due 15/02/23	604	0.16
200 Provincia de Neuquen Argentina 8.625% due 12/05/28	187	0.05
1,700 Rio Energy SA 6.875% due 01/02/25	1,258	0.32
350 Transportadora de Gas del Sur SA 6.750% due 02/05/25	318	0.08
	11,409	2.94
Austria — Nil (30 June 2018: 0.08%)		
Belgium — 0.18% (30 June 2018: 0.15%)		
800 Belfius Bank SA 3.625% due 31/12/99^	697	0.18
Belize — 0.09% (30 June 2018: 0.19%)		
613 Belize Government International Bond 4.938% due 20/02/34	347	0.09
Bermuda — 0.94% (30 June 2018: 1.17%)		
925 Cosan Ltd 5.950% due 20/09/24	909	0.23
1,925 Digicel Group Ltd 7.125% due 01/04/22	895	0.23
1,775 Digicel Group Ltd 8.250% due 30/09/20	1,198	0.31
695 Geopark Ltd 6.500% due 21/09/24	643	0.17
	3,645	0.94
Brazil — 0.09% (30 June 2018: 0.93%)		
386 Itau Unibanco Holding SA 6.125% due 31/12/99^	362	0.09
Canada — 4.31% (30 June 2018: 4.00%)		
1,000 Bausch Health Cos Inc 6.125% due 15/04/25	873	0.22
2,760 Bausch Health Cos Inc 9.000% due 15/12/25	2,746	0.71
1,230 Canacol Energy Ltd 7.250% due 03/05/25	1,132	0.29
561 Entertainment One Ltd 6.875% due 15/12/22	735	0.19
4,850 First Quantum Minerals Ltd 7.500% due 01/04/25	4,001	1.04
1,275 Frontera Energy Corp 9.700% due 25/06/23	1,257	0.32
1,925 St Marys Cement Inc Canada 5.750% due 28/01/27	1,899	0.49
4,039 Teck Resources Ltd 5.200% due 01/03/42	3,393	0.87
822 Teck Resources Ltd 5.400% due 01/02/43	715	0.18
	16,751	4.31
Cayman Islands — 4.62% (30 June 2018: 3.04%)		
3,918 Ambac LSNI LLC 7.803% due 12/02/23	3,923	1.01
2,167 BSPRT 2018-FL4 Issuer Ltd 5.205% due 15/09/35	2,162	0.56
7,363 CFG Investments 2017-1 Ltd 7.870% due 15/11/26	7,465	1.91
525 China Overseas Finance Cayman VI Ltd 5.950% due 08/05/24	564	0.15
550 Gran Tierra Energy International Holdings Ltd 6.250% due 15/02/25	511	0.13
500 Octagon Investment Partners 24 Ltd 7.236% due 21/05/27	457	0.12
10 Odebrecht Finance Ltd 4.375% due 25/04/25	1	—
218 Odebrecht Finance Ltd 5.250% due 27/06/29	30	0.01
10 Odebrecht Finance Ltd 7.125% due 26/06/42	1	—
2,842 Transocean Phoenix 2 Ltd 7.750% due 15/10/24	2,827	0.73
	17,941	4.62
El Salvador — 0.02% (30 June 2018: 0.02%)		
85 El Salvador Government International Bond 8.625% due 28/02/29	89	0.02
France — 0.63% (30 June 2018: 0.96%)		
2,200 Tikehau Capital SCA 3.000% due 27/11/23	2,448	0.63
Germany — Nil (30 June 2018: 0.17%)		
Guernsey — 1.63% (30 June 2018: 1.58%)		
904 Globalworth Real Estate Investments Ltd 2.875% due 20/06/22	1,034	0.27
5,322 Pershing Square Holdings Ltd 5.500% due 15/07/22	5,292	1.36
	6,326	1.63
Indonesia — 0.30% (30 June 2018: Nil)		
1,150 Indonesia Government International Bond 4.750% due 11/02/29	1,167	0.30
Ireland — 0.70% (30 June 2018: 0.32%)		
1,050 C&W Senior Financing DAC 7.500% due 15/10/26	1,009	0.26
1,700 Koks OAO Via Koks Finance DAC 7.500% due 04/05/22	1,700	0.44
	2,709	0.70

Investments are categorised by country of incorporation.
The accompanying notes are an integral part of the Financial Statements.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

Face Value (000's)	Value (000's) US\$	% of NAV
Italy — 1.75% (30 June 2018: 1.22%)		
1,078 International Design Group SPA 6.500% due 15/11/25	1,117	0.29
840 Intesa SAnpaolo SpA 7.000% due 29/12/49^	974	0.25
2,629 Nexi Capital SpA 4.125% due 01/11/23	2,975	0.76
1,599 UniCredit SpA 6.750% due 29/12/49^	1,745	0.45
	6,811	1.75
Jersey — 0.10% (30 June 2018: 1.34%)		
500 Petropavlovsk 2016 Ltd 8.125% due 14/11/22	377	0.10
Kazakhstan — 0.17% (30 June 2018: 0.06%)		
675 KazMunayGas National Co JSC 6.375% due 24/10/48	679	0.17
Luxembourg — 5.56% (30 June 2018: 5.02%)		
1,600 Altice Financing SA 6.625% due 15/02/23	1,536	0.40
521 Altice Finco SA 7.625% due 15/02/25	432	0.11
750 Altice Finco SA 9.000% due 15/06/23	885	0.23
3,257 Altice Luxembourg SA 7.750% due 15/05/22	2,964	0.76
1,600 Cosan Luxembourg SA 7.000% due 20/01/27	1,610	0.41
1,704 Hercule Debtco SArl 6.750% due 30/06/24	1,740	0.45
5,020 Intelsat Luxembourg SA 8.125% due 01/06/23	3,891	1.00
4,157 Matterhorn Telecom Holding SA 4.875% due 01/05/23	4,476	1.15
675 MHP Lux SA 6.950% due 03/04/26	581	0.15
1,730 Millicom International Cellular SA 5.125% due 15/01/28	1,540	0.40
511 Millicom International Cellular SA 6.000% due 15/03/25	505	0.13
1,400 Puma International Financing SA 5.125% due 06/10/24	1,118	0.29
325 TMK OAO Via TMK Capital SA 6.750% due 03/04/20	330	0.08
	21,608	5.56
Mexico — 1.66% (30 June 2018: 1.13%)		
2,390 Grupo KUO SAB De CV 5.750% due 07/07/27	2,167	0.55
1,875 Mexichem SAB de CV 5.875% due 17/09/44	1,691	0.44
700 Mexico Government International Bond 5.750% due 12/10/10	658	0.17
1,375 Sixsigma Networks Mexico SA de CV 7.500% due 02/05/25	1,303	0.34
750 Unifin Financiera SAB de CV SOFOM ENR 7.375% due 12/02/26	640	0.16
	6,459	1.66
Netherlands — 3.66% (30 June 2018: 3.38%)		
1,525 AES Andres BV 7.950% due 11/05/26	1,540	0.40
32,242 Exmar Netherlands BV 9.260% due 07/07/19	3,785	0.96
1,450 IHS Netherlands Holdco BV 9.500% due 27/10/21	1,458	0.38
1,225 Lukoil International Finance BV 4.563% due 24/04/23	1,207	0.31
1,950 Myriad International Holdings BV 5.500% due 21/07/25	1,963	0.51
650 Petrobras Global Finance BV 5.999% due 27/01/28	612	0.16
1,425 Petrobras Global Finance BV 7.375% due 17/01/27	1,464	0.38
1,560 Sigma Holdco BV 5.750% due 15/05/26	1,566	0.40
605 VTR Finance BV 6.875% due 15/01/24	605	0.16
	14,200	3.66
Nigeria — 0.16% (30 June 2018: 0.04%)		
730 Nigeria Government International Bond 7.696% due 23/02/38	636	0.16
Panama — 0.42% (30 June 2018: 0.32%)		
1,825 AES El Salvador Trust II 6.750% due 28/03/23	1,627	0.42
Peru — 0.07% (30 June 2018: 0.06%)		
285 Hunt Oil Co of Peru LLC Sucursal Del Peru 6.375% due 01/06/28	289	0.07
Saudi Arabia — Nil (30 June 2018: 0.12%)		
Spain — 1.48% (30 June 2018: 1.09%)		
400 Abanca Corp Bancaria SA 7.500% due 31/12/99^	432	0.11
1,000 Banco Bilbao Vizcaya Argentaria SA 6.750% due 29/12/49^	1,135	0.29
1,000 Banco Bilbao Vizcaya Argentaria SA 7.000% due 29/12/49^	1,143	0.29
1,000 Bankia SA 6.000% due 31/12/99^	1,080	0.28
327 El Corte Ingles SA 3.000% due 15/03/24	376	0.10
1,434 Naviera Armas SA 6.500% due 31/07/23	1,589	0.41
	5,755	1.48
Ukraine — 0.17% (30 June 2018: Nil)		
700 Ukraine Government International Bond 9.750% due 01/11/28	656	0.17
United Kingdom — 1.78% (30 June 2018: 1.62%)		
1,349 EnQuest Plc 7.000% due 15/04/22	904	0.23
1,550 Liquid Telecommunications Financing Plc 8.500% due 13/07/22	1,558	0.40
1,225 MARB BondCo Plc 6.875% due 19/01/25	1,135	0.29
1,868 McLaren Finance Plc 5.000% due 01/08/22	2,167	0.57
982 Neptune Energy Bondco Plc 6.625% due 15/05/25	911	0.23

Investments are categorised by country of incorporation.
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EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

Face Value (000's)	Value (000's) US\$	% of NAV
United Kingdom — 1.78% (30 June 2018: 1.62%) (continued)		
250 Tullow Oil Plc 7.000% due 01/03/25	232	0.06
	6,907	1.78
United States — 29.90% (30 June 2018: 32.94%)		
883 Alternative Loan Trust 2006-6CB 2.856% due 25/05/36	441	0.11
480 Ambac Assurance Corp 5.100% due 07/06/20	638	0.16
2,062 American Home Mortgage Investment Trust 2005-2 5.328% due 25/09/35	1,818	0.47
22,147 American Home Mortgage Investment Trust 2007-1 2.078% due 25/05/47	3,084	0.79
6,332 Ashland LLC 6.875% due 15/05/43	6,236	1.61
3,398 Atrium Hotel Portfolio Trust 2017-ATRM 6.655% due 15/12/36	3,392	0.87
1,680 Avantor Inc 9.000% due 01/10/25	1,680	0.43
2,682 Banc of America Funding 2005-B Trust 3.520% due 20/04/35	2,145	0.55
922 Banc of America Funding 2006-7 Trust 2.556% due 25/10/36	707	0.18
1,502 Banc of America Funding 2015-R8 Trust 4.396% due 26/08/35^	1,236	0.32
3,750 Bank of America Corp 2.650% due 01/04/19	3,746	0.96
1,320 Bed Bath & Beyond Inc 5.165% due 01/08/44	879	0.23
2,247 Bristow Group Inc 8.750% due 01/03/23	1,607	0.41
1,341 Carrington Mortgage Loan Trust Series 2005-NC4 3.256% due 25/09/35	956	0.25
698 Carrington Mortgage Loan Trust Series 2006-NC2 2.776% due 25/06/36	499	0.13
3,750 Citigroup Inc 2.050% due 07/06/19	3,734	0.96
4,370 CNX Resources Corp 5.875% due 15/04/22	4,195	1.08
2,090 CONSOL Energy Inc 11.000% due 15/11/25	2,289	0.59
1,668 Credit Suisse ABS Trust 2018-LD1 6.300% due 25/07/24	1,697	0.44
1,525 CSMC Trust 2017-PFHP 6.945% due 15/12/30	1,528	0.39
695 Deephaven Residential Mortgage Trust 2017-3 6.250% due 25/10/47^	695	0.18
2,435 Deephaven Residential Mortgage Trust 2018-2 6.042% due 25/04/58^	2,434	0.63
1,253 Deephaven Residential Mortgage Trust 2018-3 5.913% due 25/08/58^	1,249	0.32
6,715 Denbury Resources Inc 4.625% due 15/07/23	3,945	1.02
2,635 Era Group Inc 7.750% due 15/12/22	2,530	0.65
296 First Horizon Alternative Mortgage Securities Trust 2005-FA7 3.036% due 25/10/35	214	0.06
279 First Horizon Alternative Mortgage Securities Trust 2006-FA8 2.876% due 25/02/37	155	0.04
1,820 Foursight Capital Automobile Receivables Trust 2018-1 6.820% due 15/04/25	1,866	0.48
1,334 Foursight Capital Automobile Receivables Trust 2018-2 5.500% due 15/10/24	1,355	0.35
4,232 HarborView Mortgage Loan Trust 2007-7 3.506% due 25/10/37	3,529	0.91
4,516 Home Equity Asset Trust 2006-3 2.906% due 25/07/36	4,084	1.05
1,000 JC Penney Corp Inc 8.625% due 15/03/25	530	0.14
6,419 L Brands Inc 7.600% due 15/07/37	5,039	1.30
498 LB Commercial Mortgage Trust 2007-C3 2.805% due 15/07/44	490	0.13
987 Lehman Mortgage Trust 2006-4 2.906% due 25/08/36	261	0.07
1,585 MASTR Alternative Loan Trust 2005-6 2.956% due 25/12/35	724	0.19
3,436 Morgan Stanley ABS Capital I Inc Trust 2005-HE7 3.211% due 25/11/35	2,683	0.69
1,571 New Residential Mortgage Loan Trust 2018-NQM1 5.287% due 25/11/48^	1,554	0.40
2,027 Newcastle Mortgage Securities Trust 2006-1 2.986% due 25/03/36	1,798	0.46
4,448 Parsley Energy LLC/Parsley Finance Corp 5.375% due 15/01/25	4,092	1.05
1,853 Peabody Energy Corp 6.375% due 31/03/25	1,723	0.44
4,053 Prosper Marketplace Issuance Trust Series 2018-1 5.700% due 17/06/24	4,038	1.04
2,517 RALI Series 2006-QS18 Trust 2.956% due 25/12/36	1,787	0.46
3,814 RALI Series 2007-QS4 Trust 2.846% due 25/03/37	1,131	0.29
2,356 RAMP Series 2005-EFC1 Trust 3.571% due 25/05/35	2,232	0.57
788 RAMP Series 2005-EFC6 Trust 3.391% due 25/11/35	776	0.20
1,627 RAMP Series 2006-EFC1 Trust 2.936% due 25/02/36	1,539	0.40
1,155 RASC Series 2005-KS11 Trust 3.096% due 25/12/35	1,060	0.27
300 SASOL Financing USA LLC 5.875% due 27/03/24	299	0.08
880 Southwestern Energy Co 6.200% due 23/01/25	787	0.20
3,472 Southwestern Energy Co 7.750% due 01/10/27	3,298	0.85
2,350 Stillwater Mining Co 7.125% due 27/06/25	2,164	0.56
1,077 Structured Asset Securities Corp Mortgage Loan Trust 2007-BC1 2.736% due 25/02/37	633	0.16
2,700 United States Treasury Bill 0.000% due 22/01/19	2,696	0.69
5,000 United States Treasury Note 2.500% due 31/12/20	4,999	1.29
500 Valeant Pharmaceuticals International 9.250% due 01/04/26	500	0.13
300 Velocity Commercial Capital Loan Trust 2018-2 6.360% due 26/10/48^	303	0.08
1,098 Vivint Solar Financing V LLC 7.370% due 30/04/48	1,105	0.28
3,341 Westlake Automobile Receivables Trust 2018-3 6.020% due 18/02/25	3,349	0.86
	116,153	29.90
Virgin Islands — 0.25% (30 June 2018: 0.07%)		
975 Central American Bottling Corp 5.750% due 31/01/27	954	0.25
Total Bonds (Cost US\$260,699) (30 June 2018: 63.23%)		
	247,002	63.58
Common Stock — 3.13%		
Bermuda — 0.01% (30 June 2018: Nil)		
1 Belmond Ltd	25	0.01

Investments are categorised by country of incorporation.
The accompanying notes are an integral part of the Financial Statements.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

Face Value (000's)	Value (000's) US\$	% of NAV
Germany — Nil (30 June 2018: 0.03%)		
Israel — 0.65% (30 June 2018: Nil)		
45 Orbotech Ltd	2,544	0.65
Netherlands — 0.15% (30 June 2018: 2.01%)		
83 Playa Hotels & Resorts NV	598	0.15
United Kingdom — 0.17% (30 June 2018: Nil)		
22 ARRIS International Plc	675	0.17
United States — 2.10% (30 June 2018: 4.55%)		
7 Ambac Financial Group Inc	114	0.03
52 Ares Capital Corp	816	0.21
81 Avaya Holdings Corp	1,175	0.30
16 Chimera Investment Corp	278	0.07
– Cigna Corp	44	0.01
13 CommScope Holding Co Inc	215	0.06
29 CVS Health Corp	1,877	0.49
5 Dell Technologies Inc	261	0.07
5 Fidelity National Financial Inc	157	0.04
90 Granite Point Mortgage Trust Inc	1,615	0.42
10 Integrated Device Technology Inc	484	0.12
3 New Residential Investment Corp	40	0.01
207 Oaktree Specialty Lending Corp	874	0.22
2 United Technologies Corp	208	0.05
	8,158	2.10
Virgin Islands — 0.05% (30 June 2018: 0.02%)		
20 J2 Acquisition Ltd	184	0.05
Total Common Stock (Cost: US\$18,924) (30 June 2018: 6.61%)		
	12,184	3.13
Depository receipt — 1.49% (30 June 2018: Nil)		
Jersey — 1.49% (30 June 2018: Nil)		
33 Shire Plc	5,774	1.49
Total Depository receipt (Cost: US\$5,810) (30 June 2018: Nil)		
	5,774	1.49
Warrant — 0.00%		
Virgin Islands — 0.00% (30 June 2018: 0.00%)		
10 J2 Acquisition Ltd	4	–
Total Warrant (Cost: US\$-) (30 June 2018: 0.00%)		
	4	–
Exchange Traded Fund — 0.99%		
Ireland — 0.13% (30 June 2018: 0.62%)		
2 Institutional Cash Series Plc — Institutional US Dollar Liquidity Fund	2	–
5 iShares USD High Yield Corp Bond UCITS ETF	483	0.13
	485	0.13
Luxembourg — 0.37% (30 June 2018: 0.66%)		
1,431 JPMorgan Liquidity Funds — USD Liquidity LVNAV Fund	1,430	0.37
United States — 0.49% (30 June 2018: 2.23%)		
177 BlackRock Debt Strategies Fund Inc	1,732	0.44
1 SPDR S&P 500 ETF Trust	188	0.05
	1,920	0.49
Total Exchange Traded Fund (Cost: US\$4,171) (30 June 2018: 3.51%)		
	3,835	0.99
Total Investments (Cost: US\$289,604) (30 June 2018: 73.35%)		
	268,799	69.19
Other Assets in Excess of Liabilities (30 June 2018: 26.65%)		
	119,715	30.81
Total Net Assets		
	388,514	100.00

* Amounts shown as “–” are less than US\$500 or 500 shares.

^ Variable rate security. The interest rate shown reflects the rate in effect at 31 December, 2018.

Analysis of Total Assets Classifications

	% of Total Assets
Transferable securities admitted to an official stock exchange listing	33.79
Transferable securities traded on a regulated market	17.72
Other transferable securities of the type referred to in Regulations 68 (1)(a), (b) and (c)	13.89
Exchange Traded Fund	0.95
OTC financial derivative instruments	1.38
Exchange traded financial derivative instruments	0.15
Other Assets	32.12
	100.00

Investments are categorised by country of incorporation. The accompanying notes are an integral part of the Financial Statements.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

	Counterparty	Value ('000's) US\$	% of NAV
Options Contracts (30 June 2018: 0.05%)			
Purchased Options — 0.00% (30 June 2018: 0.07%)			
CVS Health Corp January 2019 Call 200	Morgan Stanley	15	–
Total Purchased Options (Cost: US\$74)		15	–
Written Options — (0.00)% (30 June 2018: (0.02)%)			
Belmond Ltd January 2019 Call 25	Morgan Stanley	–	–
Total Written Options (Cost: US\$(0))		–	–
Total Options (Cost: US\$74)		15	–

Open Futures Contracts (30 June 2018: 0.00%)

Schedule of Futures Contracts	Counterparty	Nominal Value	Notional Value (000's)	Unrealised Appreciation/ (Depreciation) of Contracts (000's)	% of NAV
US 10 Year Note CBT March 2019	Barclays	(213)	US\$ (25,989)	US\$ (683)	(0.18)
FTSE/JSE Top 40 March 2019	Credit Suisse	(76)	(35,764)	(74)	(0.03)
SGX NIFTYr 50 January 2019	Credit Suisse	(62)	(1,354)	(13)	–
MSCI Taiwan Index January 2019	Credit Suisse	(59)	(2,120)	(27)	(0.01)
MSCI Sing IX ETS January 2019	Credit Suisse	(47)	(1,606)	(7)	–
Kospi2 Index Future March 2019	Credit Suisse	(39)	(2,554,500)	5	–
US Long Bond CBT March 2019	Barclays	(28)	(4,088)	(64)	(0.02)
MSCI Emerging Markets March 2019	Credit Suisse	(23)	(1,112)	2	–
FTSE 100 Index Future March 2019	Credit Suisse	(15)	(999)	(13)	–
Hang Seng Index Future January 2019	Credit Suisse	(11)	(14,220)	(19)	–
Cac40 10 Euro Future January 2019	Credit Suisse	(8)	(378)	(6)	–
OMXS 30 Index Future January 2019	Credit Suisse	(8)	(1,127)	(1)	–
Spi 200 Future March 2019	Credit Suisse	(8)	(1,112)	(5)	–
Euro Stoxx 50 March 2019	Credit Suisse	(6)	(178)	(4)	–
HSCEI Future January 2019	Credit Suisse	(6)	(3,031)	(2)	–
FTSE China A50 January 2019	Credit Suisse	(3)	(31)	–	–
E-Mini Russ 2000 March 2019	Credit Suisse	(2)	(135)	(1)	–
DAX Index Future March 2019	Credit Suisse	(1)	(264)	(3)	–
Nikkei 225 Mini March 2019	Credit Suisse	(1)	(2,000)	–	–
S&P/TSX 60 IX Future March 2019	Credit Suisse	(1)	(171)	1	–
NASDAQ 100 E-Mini March 2019	Credit Suisse	1	127	6	–
Topix Index Future March 2019	Credit Suisse	1	14,935	5	–
Amsterdam Index Future January 2019	Credit Suisse	2	195	(1)	–
US Ultra Bond CBT March 2019	Barclays	3	482	5	–
Euro-BTP Future March 2019	Barclays	10	1,278	41	0.01
Australia 10 Year Bond Future March 2019	Barclays	13	1,725	14	–
Euro Buxl 30 Year Bond March 2019	Barclays	14	2,529	48	0.01
90 Day Sterling Future December 2019	Barclays	16	1,978	–	–
90 Day Sterling Future June 2020	Barclays	23	2,841	–	–
US 2 Year Note CBT March 2019	Barclays	23	4,883	15	–
Long Gilt Future March 2019	Barclays	24	2,956	27	0.01
90 Day Sterling Future December 2020	Barclays	26	3,210	–	–
Euro-OAT Future March 2019	Barclays	31	4,675	(4)	–
90 Day Sterling Future June 2021	Barclays	34	4,195	–	–
90 Day Euro Future June 2020	Barclays	41	9,994	27	0.01
Australia 3 Year Bond Future March 2019	Barclays	42	4,713	14	–
90 Day Euro Future December 2020	Barclays	47	11,460	29	0.01
US 5 Year Note CBT March 2019	Barclays	47	5,390	64	0.02
Canadian 10 Year Bond Future March 2019	Barclays	49	6,702	43	0.01
90 Day Euro Future June 2021	Barclays	51	12,439	30	0.01
Euro-Bund Future March 2019	Barclays	53	8,668	60	0.03
Bank Accepted Future December 2019	Barclays	55	13,441	14	–
Bank Accepted Future September 2019	Barclays	71	17,352	21	0.01
3 Month Euro Euribor June 2021	Barclays	75	18,733	22	0.01
90 Day Euro Future June 2022	Barclays	83	20,224	46	0.01
Euro-Bobl Future March 2019	Barclays	105	13,915	37	0.01
3 Month Euro Euribor December 2019	Barclays	107	26,817	9	–
3 Month Euro Euribor June 2020	Barclays	107	26,795	18	–
Euro-Schatz Future March 2019	Barclays	114	12,761	5	–
90 Day Sterling Future September 2019	Barclays	124	15,336	(3)	–
Unrealised Appreciation on futures contracts				608	0.16
Unrealised Depreciation on futures contracts				(930)	(0.24)
Net Depreciation on futures contracts				US\$ (322)	(0.08)

The accompanying notes are an integral part of the Financial Statements.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

Schedule of Credit Default Swaps (30 June 2018: (0.22)%)

Counterparty	Reference Entity	Buy/Sell Protection	Expiration Date	Notional Amount (000's)	Value (000's)	% of NAV
Barclays	Advanced Micro Devices Inc 7.500% due 15/08/22	Buy	21/12/23	2,310	US\$ (317)	(0.06)
Barclays	AK Steel Corp 7.000% due 15/03/27	Buy	21/12/22	4,000	463	0.09
JPMorgan Chase Bank N.A.London	Altice France SA 5.375% due 15/05/22	Sell	21/12/19	1,412	63	0.01
Barclays	Apache Corp 3.250% due 15/04/22	Buy	21/12/23	4,000	148	0.03
Barclays	Avon Products Inc 6.500% due 01/03/19	Buy	21/06/20	10,000	(300)	(0.06)
Barclays	Avon Products Inc 6.500% due 01/03/19	Sell	21/06/22	5,000	(278)	(0.05)
Barclays	Brazilian Government International Bond 4.250% due 07/01/25	Buy	21/12/22	10,000	260	0.05
Barclays	Brazilian Government International Bond 4.250% due 07/01/25	Buy	21/12/23	11,625	547	0.11
Barclays	Cardinal Health Inc 4.625% due 15/12/20	Buy	21/06/23	5,000	16	–
Barclays	Carrefour SA 1.750% due 22/05/19	Buy	21/12/22	4,000	(11)	–
Barclays	CCO Holdings LLC 5.750% due 15/01/24	Buy	21/12/22	4,000	(548)	(0.10)
Barclays	CDX.EM 1.000% due 21/06/23	Buy	21/06/23	6,300	233	0.04
Barclays	CDX.EM 1.000% due 21/06/23	Buy	21/06/23	3,250	120	0.02
Barclays	CDX.NA.HY 1.000% due 20/12/23	Buy	21/12/23	6,600	(145)	(0.03)
Morgan Stanley	CDX.NA.HY.27 1.000% due 20/12/22	Buy	20/12/21	5,000	(300)	(0.06)
Barclays	CDX.NA.IG 1.000% due 20/12/23	Buy	21/12/23	10,000	(60)	(0.01)
Barclays	China Government International Bond 7.500% due 28/10/27	Buy	21/12/23	11,900	(178)	(0.03)
Barclays	Colombia Government International Bond 10.375% due 28/01/33	Buy	21/12/23	4,750	122	0.02
Barclays	Devon Energy Corp 7.950% due 15/04/32	Buy	21/12/23	4,000	199	0.04
Barclays	Domtar Corp 10.750% due 21/06/21	Buy	21/06/21	350	(5)	–
Barclays	Domtar Corp 4.400% due 01/04/22	Buy	21/06/21	3,400	(49)	(0.01)
Barclays	Hertz Corp 5.875% due 15/10/20	Buy	21/06/20	14,000	(164)	(0.03)
Barclays	Hertz Corp 5.875% due 15/10/20	Sell	21/06/22	10,000	(930)	(0.18)
Barclays	Hess Corp 3.500% due 15/07/24	Buy	21/12/23	4,000	206	0.04
Credit Suisse	iTraxx Europe Crossover Series 30 Version 1 1.000% due 20/12/23	Buy	21/12/23	8,979	(650)	(0.12)
Barclays	JC Penney Corp Inc 6.375% due 15/10/36	Buy	21/06/21	388	166	0.03
Barclays	Kobe Steel Ltd 2.070% due 21/06/21	Buy	21/06/21	100,000	1	–
Barclays	Kobe Steel Ltd 2.070% due 21/12/20	Buy	21/12/20	35,000	(1)	–
Barclays	Kohl's Corp 4.000% due 01/11/21	Buy	21/06/21	3,400	(36)	(0.01)
Barclays	Kohl's Corp 4.000% due 01/11/21	Buy	21/06/21	50	(1)	–
Barclays	Kohl's Corp 4.000% due 01/11/21	Buy	21/12/20	300	(4)	–
Barclays	L Brands Inc 5.625% due 15/10/23	Buy	21/06/22	1,500	52	0.01
Barclays	L Brands Inc 5.625% due 15/10/23	Buy	21/06/23	1,500	120	0.02
Barclays	L Brands Inc 5.625% due 15/10/23	Buy	21/12/23	1,980	205	0.04
Barclays	L Brands Inc 8.500% due 15/06/19	Buy	21/12/22	1,200	65	0.01
Credit Suisse	Louis Dreyfus Co BV 4.000% due 04/12/20	Buy	21/12/23	2,128	(182)	(0.03)
Barclays	McClatchy Co 6.875% due 15/03/29	Buy	21/06/20	700	(21)	–
Barclays	Mexico Government International Bond 4.150% due 28/03/27	Buy	21/12/23	6,700	167	0.03
Barclays	Motorola Solutions Inc 7.500% due 15/05/25	Buy	21/12/22	5,000	(45)	(0.01)
JPMorgan Chase Bank N.A.London	Rallye SA 4.250% due 11/03/19	Buy	21/06/19	768	64	0.01
Credit Suisse	Rallye SA 4.250% due 11/03/19	Buy	21/06/19	382	32	0.01
Barclays	Republic of South Africa Government International Bond 5.500% due 09/03/20	Buy	21/12/23	4,375	238	0.05
Barclays	Russian Foreign Bond — Eurobond 7.500% due 31/03/30	Buy	21/12/23	15,350	368	0.07
Barclays	Ryder System Inc 2.550% due 01/06/19	Buy	21/06/21	3,450	(28)	(0.01)
Barclays	Ryder System Inc 2.550% due 01/06/19	Buy	21/12/23	1,250	31	0.01
Barclays	Ryder System Inc 2.550% due 01/06/19	Buy	21/12/20	300	(3)	–
Credit Suisse	Sudzucker International Finance BV 1.250% due 29/11/23	Buy	21/12/23	1,532	64	0.01
Barclays	Transocean Inc 7.375% due 21/06/20	Buy	21/06/20	10,000	313	0.06
Barclays	Transocean Inc 7.375% due 21/06/22	Sell	21/06/22	10,000	(1,436)	(0.28)
Barclays	Turkey Government International Bond 11.875% due 15/01/30	Buy	21/12/22	5,925	484	0.09
Barclays	Weatherford International Ltd 4.500% due 15/04/22	Buy	21/12/21	960	412	0.08
Unrealised Appreciation on Credit Default Swaps					5,159	0.98
Unrealised Depreciation on Credit Default Swaps					(5,692)	(1.08)
Net Depreciation of Credit Default Swaps					US\$(533)	(0.10)

Schedule of Equity Swaps (30 June 2018: 0.13%)

Shares (000's)	Reference Entity	Counterparty	Value (000's)	% of NAV
11	KLA-Tencor Corp	Morgan Stanley	US\$(43)	(0.01)
15	Takeda Pharmaceutical Co Ltd (Japan quoted)	Morgan Stanley	8	0.00
81	Takeda Pharmaceutical Co Ltd (US quoted)	Morgan Stanley	(19)	(0.00)
			US\$(54)	(0.01)
Unrealised Appreciation on Equity Swaps			8	0.00
Unrealised Depreciation on Equity Swaps			(62)	(0.01)
Net Depreciation on Equity Swaps			US\$(54)	(0.01)

The accompanying notes are an integral part of the Financial Statements.

EnTrustPermal Alternative Income Strategy

Portfolio of Investments – (continued)

Schedule of Forward Foreign Currency Exchange Contracts (30 June 2018: (4.52)%)

Expiration Date	Counterparty	Buy Currency (000's)	Sell Currency (000's)	Unrealised Appreciation/ (Depreciation) of Contracts (000's)	% of NAV
03/01/2019	State Street Bank	EUR	USD	1	–
03/01/2019	State Street Bank	USD	EUR	–	–
04/01/2019	JPMorgan Chase	AUD	JPY	(3)	–
04/01/2019	JPMorgan Chase	AUD	USD	–	–
04/01/2019	JPMorgan Chase	CAD	USD	(6)	–
04/01/2019	JPMorgan Chase	CHF	USD	8	–
04/01/2019	JPMorgan Chase	EUR	PLN	(2)	–
04/01/2019	JPMorgan Chase	EUR	USD	5	–
04/01/2019	State Street Bank	EUR	USD	–	–
04/01/2019	JPMorgan Chase	GBP	USD	–	–
04/01/2019	JPMorgan Chase	HUF	USD	–	–
04/01/2019	JPMorgan Chase	ILS	USD	–	–
04/01/2019	JPMorgan Chase	JPY	AUD	56	0.01
04/01/2019	JPMorgan Chase	JPY	USD	71	0.03
04/01/2019	JPMorgan Chase	MXN	USD	6	–
04/01/2019	JPMorgan Chase	NOK	USD	2	–
04/01/2019	JPMorgan Chase	NZD	USD	(20)	(0.01)
04/01/2019	JPMorgan Chase	PLN	EUR	1	–
04/01/2019	JPMorgan Chase	PLN	USD	2	–
04/01/2019	JPMorgan Chase	SEK	USD	8	–
04/01/2019	JPMorgan Chase	SGD	USD	12	–
04/01/2019	JPMorgan Chase	THB	USD	6	–
04/01/2019	JPMorgan Chase	TRY	EUR	7	–
04/01/2019	JPMorgan Chase	TRY	USD	8	–
04/01/2019	JPMorgan Chase	TRY	ZAR	6	–
04/01/2019	JPMorgan Chase	USD	AUD	64	0.03
04/01/2019	JPMorgan Chase	USD	CAD	103	0.04
04/01/2019	JPMorgan Chase	USD	CHF	(22)	(0.01)
04/01/2019	JPMorgan Chase	USD	EUR	(45)	(0.01)
04/01/2019	State Street Bank	USD	EUR	–	–
04/01/2019	JPMorgan Chase	USD	GBP	(26)	(0.01)
04/01/2019	JPMorgan Chase	USD	HUF	(24)	(0.01)
04/01/2019	JPMorgan Chase	USD	ILS	(11)	–
04/01/2019	JPMorgan Chase	USD	JPY	(85)	(0.02)
04/01/2019	JPMorgan Chase	USD	MXN	(21)	(0.01)
04/01/2019	JPMorgan Chase	USD	NOK	(3)	–
04/01/2019	JPMorgan Chase	USD	NZD	2	–
04/01/2019	JPMorgan Chase	USD	PLN	(17)	–
04/01/2019	JPMorgan Chase	USD	SEK	(47)	(0.01)
04/01/2019	JPMorgan Chase	USD	SGD	(37)	(0.01)
04/01/2019	JPMorgan Chase	USD	THB	(9)	–
04/01/2019	JPMorgan Chase	USD	ZAR	(6)	–
04/01/2019	JPMorgan Chase	ZAR	USD	(1)	–
07/01/2019	State Street Bank	EUR	USD	–	–
07/01/2019	State Street Bank	GBP	USD	–	–
16/01/2019	Morgan Stanley	EUR	USD	5	–
16/01/2019	Morgan Stanley	USD	EUR	(239)	(0.06)
16/01/2019	Morgan Stanley	USD	GBP	(31)	(0.01)
16/01/2019	Morgan Stanley	USD	NOK	8	–
31/01/2019	State Street Bank	CHF	USD	1	–
31/01/2019	State Street Bank	EUR	USD	(870)	(0.22)
31/01/2019	State Street Bank	GBP	USD	(42)	(0.01)
31/01/2019	State Street Bank	USD	CHF	–	–
31/01/2019	State Street Bank	USD	EUR	(268)	(0.07)
31/01/2019	State Street Bank	USD	GBP	8	–
19/02/2019	Morgan Stanley	USD	EUR	–	–
20/03/2019	JPMorgan Chase	BRL	USD	(2)	–
20/03/2019	JPMorgan Chase	CLP	USD	–	–
20/03/2019	JPMorgan Chase	INR	USD	12	–
20/03/2019	JPMorgan Chase	KRW	USD	5	–
20/03/2019	JPMorgan Chase	PHP	USD	8	–
20/03/2019	JPMorgan Chase	USD	BRL	(4)	–
20/03/2019	JPMorgan Chase	USD	CLP	17	–
20/03/2019	JPMorgan Chase	USD	INR	(4)	–
20/03/2019	JPMorgan Chase	USD	KRW	(25)	(0.01)
20/03/2019	JPMorgan Chase	USD	PHP	(12)	–
Unrealised Appreciation on Forward Foreign Currency Contracts				432	0.11
Unrealised Depreciation on Forward Foreign Currency Contracts				(1,882)	(0.48)
Net Depreciation on Forward Foreign Currency Contracts				US\$(1,450)	(0.37)

The accompanying notes are an integral part of the Financial Statements.

Statement of Financial Position

	Note	EnTrustPermal Alternative Income Strategy	
		As at 31 December 2018 '000's US\$	As at 30 June 2018 '000's US\$
CURRENT ASSETS			
Cash	8	56,655	66,965
Cash Collateral	8	15,342	22,515
Cash equivalent	8	37,159	66,262
Amounts due from broker	8	10,051	10,903
Financial assets at fair value through profit or loss:	1		
Investments		268,799	385,733
Options at fair value		15	364
Unrealised appreciation on futures contracts		608	517
Unrealised appreciation on forward foreign currency exchange contracts		432	3,532
Unrealised appreciation on swap contracts		5,167	5,269
Receivable from holders of redeemable participating shares		92	2,214
Receivable for investment sold		7,023	1,891
Receivable from Sub-Adviser		100	-
Interest receivable		3,647	4,421
Dividend receivable		54	82
Prepaid expenses		47	64
Total Current Assets		405,191	570,732
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss:	1		
Designated as held for trading			
Options at fair value		-	(122)
Unrealised depreciation on futures contracts		(930)	(512)
Unrealised depreciation on forward foreign currency exchange contracts		(1,882)	(27,328)
Unrealised depreciation on swap contracts		(5,754)	(5,781)
Due to broker		(4,281)	(1,921)
Payable for fund shares redeemed		(807)	(3,057)
Payable for investment purchased		(1,559)	(3,553)
Payable for distributions		(476)	(580)
Investment Manager fees payable		(182)	(256)
Sub-Adviser fees payable		(342)	(623)
Administrator and Depositary fees payable		(201)	(79)
Shareholder service fees payable		(16)	(11)
Audit fees payable		(14)	(26)
Directors fees payable		(14)	(14)
Legal fees payable		(94)	(57)
Performance fees payable		-	(631)
Accrued expenses and other liabilities		(125)	(266)
Total Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(16,677)	(44,818)
Net assets attributable to holders of redeemable participating shares	1	388,514	525,915

	Total NAV (000's)	No. Shares (000's)*	NAV/Share
EnTrustPermal Alternative Income Strategy			
As at 31 December 2018			
Class A US\$ Accumulating	8,179	80	101.97
Class A US\$ Distributing Plus (Q)	603	6	93.13
Class A Accumulating Euro (Hedged)	14,340	150	95.47
Class A Euro Distributing Plus (Q) (Hedged)	8,184	94	87.36
Class Euro Accumulating (Hedged)	1	-	93.98
Class F US\$ Accumulating	1	-	95.97
Class R US\$ Accumulating	959	9	106.33
Class R US\$ Distributing Plus (Q)	686	7	97.20
Class R Euro Accumulating (Hedged)	187,957	1,872	100.42
Class R Euro Distributing Plus (Q) (Hedged)	28,998	316	91.87
Class R GBP Distributing Plus (Q) (Hedged)	1,662	18	91.70
Class S US\$ Accumulating	2,250	21	104.98
Class S Euro Accumulating (Hedged)	215	2	99.10
Class X Euro Accumulating (Hedged)	7,630	76	99.87
Premier Class US\$ Accumulating	25,630	246	104.36
Premier Class US\$ Distributing Plus (Q)	11	-	95.44
Premier Class Accumulating Euro (Hedged)	54,875	560	97.91
Premier Class Euro Distributing Plus (Q) (Hedged)	1,210	13	89.92
Premier Class CHF Accumulating (Hedged)	72	1	96.07
Premier Class GBP Accumulating (Hedged)	291	3	94.88
	Total NAV (000's)	No. Shares (000's)*	NAV/Share
EnTrustPermal Alternative Income Strategy			
As at 30 June 2018			
Class A US\$ Accumulating	12,312	118	104.50
Class A US\$ Distributing Plus (Q)	680	7	97.38
Class A Accumulating Euro (Hedged)	35,812	359	99.36
Class A Euro Distributing Plus (Q) (Hedged)	9,017	97	92.73
Class Euro Accumulating (Hedged)	1	-	97.78
Class F US\$ Accumulating	1	-	97.96
Class R US\$ Accumulating	929	9	108.43
Class R US\$ Distributing Plus (Q)	495	5	101.13
Class R Euro Accumulating (Hedged)	210,974	2,030	103.94
Class R Euro Distributing Plus (Q) (Hedged)	33,090	341	97.03
Class R GBP Distributing Plus (Q) (Hedged)	4,131	43	96.25
Class S US\$ Accumulating	2,296	21	107.09
Class S Euro Accumulating (Hedged)	1,289	13	102.65
Class X Euro Accumulating (Hedged)	16,247	161	103.61
Premier Class US\$ Accumulating	27,587	259	106.55
Premier Class US\$ Distributing Plus (Q)	12	-	99.40
Premier Class Accumulating Euro (Hedged)	98,539	972	101.50
Premier Class Euro Distributing Plus (Q) (Hedged)	1,350	14	95.09
Premier Class CHF Accumulating (Hedged)	356	3	99.80
Premier Class GBP Accumulating (Hedged)	978	10	97.77

* If a class has less than 500 shares, they are shown as "-".

The accompanying notes are an integral part of the Financial Statements.

Statement of Comprehensive Income

	Note	EnTrustPermal Alternative Income Strategy	
		For the period ended 31 December 2018 '000's US\$	For the period ended 31 December 2017 '000's US\$
INVESTMENT INCOME			
Gross dividend income		492	392
Interest income		10,223	7,748
Other Income		2	39
Equalisation		(554)	154
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss:			
Net realised (loss)/gain on financial instruments held for trading		(37,061)	23,502
Net unrealised gain on financial instruments held for trading		6,644	3,593
Total Investment (Loss)/Income		(20,254)	35,428
EXPENSES			
Investment Manager fees	4	(1,387)	(1,462)
Sub-Adviser fees	4	(2,331)	(2,505)
Administrator and Depositary fees	4	(420)	(439)
Shareholder service fees	4	(66)	(54)
Audit fees	4	(15)	(14)
Directors fees and expenses	4	(15)	(14)
Legal fees		(199)	(138)
Performance fees		-	(235)
Other expenses		(148)	(573)
Total Expenses		(4,563)	(5,434)
Net (Loss)/Profit before finance costs		(24,817)	29,994
FINANCE COSTS:			
Distribution paid	5	(1,559)	(1,074)
(Loss)/Profit for the financial period		(26,376)	28,920
Withholding tax on dividends and other taxation		(119)	(129)
(Decrease)/Increase in Net Assets attributable to Holders of Redeemable Participating Shares		(26,495)	28,791

* Amounts shown as "-" are less than US\$500.

The accompanying notes are an integral part of the Financial Statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

	EnTrustPermal Alternative Income Strategy	
	For the period ended 31 December 2018 (‘000’s) US\$	For the period ended 31 December 2017 (‘000’s) US\$
Net (Decrease)/Increase in net assets attributable to holders of redeemable participating shares	(26,495)	28,791
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS		
Net proceeds from sales of shares	31,809	205,604
Net proceeds from reinvested distributions	113	–
Cost of shares reacquired	(142,828)	(54,881)
Increase in Net Assets from Redeemable Participating Share transactions	(110,906)	150,723
Increase in net assets attributable to holders of redeemable participating shares	(137,401)	179,514
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		
Beginning of period	525,915	428,002
End of period	388,514	607,516

	EnTrustPermal Alternative Income Strategy
	For the period ended 31 December 2018 (000’s)*
Class A US\$ Accumulating	
Sold	10
Redeemed	(48)
Net Increase	(38)
Class A US\$ Distributing Plus (Q)	
Sold	–
Redeemed	(1)
Net Decrease	(1)
Class A Accumulating Euro (Hedged)	
Sold	16
Redeemed	(224)
Net Increase	(208)
Class A Euro Distributing Plus (Q) (Hedged)	
Sold	2
Redeemed	(6)
Net Decrease	(4)
Class E Euro Accumulating (Hedged)	
Sold	–
Redeemed	–
Net Decrease	–
Class F US\$ Accumulating	
Sold	–
Redeemed	–
Net Decrease	–
Class R US\$ Accumulating	
Sold	1
Redeemed	–
Net Increase	1
Class R US\$ Distributing Plus (Q)	
Sold	3
Redeemed	(1)
Net Increase	2
Class R Euro Accumulating (Hedged)	
Sold	100
Redeemed	(259)
Net Decrease	(159)
Class R Euro Distributing Plus (Q) (Hedged)	
Sold	16
Redeemed	(42)
Net Increase	(26)

	EnTrustPermal Alternative Income Strategy
	For the period ended 31 December 2018 (000’s)*
Class R GBP Distributing Plus (Q) (Hedged)	
Sold	3
Redeemed	(27)
Net Increase	(24)
Class S US\$ Accumulating	
Sold	–
Redeemed	–
Net Decrease	–
Class S Euro Accumulating E (Hedged)	
Sold	(10)
Redeemed	–
Net Increase	(10)
Class X Euro Accumulating (Hedged)	
Sold	17
Redeemed	(101)
Net Decrease	(84)
Premier Class US\$ Accumulating	
Sold	2
Redeemed	(15)
Net Decrease	(13)
Premier Class US\$ Distributing Plus (Q)	
Sold	–
Redeemed	–
Net Increase	–
Premier Class Accumulating Euro (Hedged)	
Sold	93
Redeemed	(505)
Net Increase	(412)
Premier Class Euro Distributing Plus (Q) (Hedged)	
Sold	–
Redeemed	(1)
Net Increase	(1)
Premier Class CHF Accumulating (Hedged)	
Sold	–
Redeemed	(3)
Net Increase	(3)
Premier Class GBP Accumulating (Hedged)	
Sold	3
Redeemed	(10)
Net Decrease	(7)

* If there are less than 500 shares, they are shown as “–”.

The accompanying notes are an integral part of the Financial Statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

	EnTrustPermal Alternative Income Strategy		EnTrustPermal Alternative Income Strategy
	For the period ended 31 December 2017 ('000's)*		For the period ended 31 December 2017 ('000's)*
Class A US\$ Accumulating		Class S US\$ Accumulating	
Sold	12	Sold	496
Redeemed	(1)	Redeemed	(187)
Net Increase	11	Net Decrease	309
Class A US\$ Distributing Plus (Q)		Class S US\$ Distributing Plus (Q)	
Sold	–	Sold	–
Redeemed	(10)	Redeemed	–
Net Decrease	(10)	Net Increase	–
Class A Accumulating Euro (Hedged)		Class S Euro Accumulating E (Hedged)	
Sold	172	Sold	142
Redeemed	(23)	Redeemed	–
Net Increase	149	Net Increase	142
Class A Euro Distributing Plus (e) (M)		Class S Euro Distributing Plus Q (Hedged)	
Sold	–	Sold	–
Redeemed	–	Redeemed	–
Net Increase	–	Net Increase	–
Class A Euro Distributing Plus (Q) (Hedged)		Class X Euro Accumulating (Hedged)	
Sold	6	Sold	101
Redeemed	(9)	Redeemed	(21)
Net Decrease	(3)	Net Increase	80
Class E US\$ Accumulating		Premier Class US\$ Accumulating	
Sold	–	Sold	164
Redeemed	–	Redeemed	(13)
Net Increase	–	Net Increase	151
Class R US\$ Accumulating		Premier Class US\$ Distributing Plus (Q)	
Sold	3	Sold	–
Redeemed	(10)	Redeemed	–
Net Decrease	(7)	Net Increase	–
Class R US\$ Distributing Plus (Q)		Premier Class Accumulating Euro (Hedged)	
Sold	1	Sold	601
Redeemed	(1)	Redeemed	(64)
Net Increase	–	Net Increase	537
Class R Euro Accumulating (Hedged)		Premier Class Euro Distributing Plus (Q) (Hedged)	
Sold	26	Sold	1
Redeemed	(126)	Redeemed	–
Net Decrease	(100)	Net Decrease	1
Class R Euro Distributing Plus (Q) (Hedged)		Premier Class CHF Accumulating (Hedged)	
Sold	37	Sold	2
Redeemed	(9)	Redeemed	–
Net Increase	28	Net Increase	2
Class R GBP Distributing Plus (Q) (Hedged)		Strategy Class E Euro Accumulating (Hedged)	
Sold	6	Sold	–
Redeemed	(1)	Redeemed	–
Net Increase	5	Net Increase	–

* If there are less than 500 shares, they are shown as “–”.

The accompanying notes are an integral part of the Financial Statements.

Notes to Financial Statements

1. Background

Legg Mason Alternative Funds ICAV (the "ICAV") is an open-ended Irish Collective Asset-management Vehicle with variable capital formed under the laws of Ireland and pursuant to the Irish Collective Asset-management Vehicles Act 2015 ("The ICAV Act"). The ICAV is authorised by the Central Bank of Ireland (the "Central Bank"), under the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), and under The Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015) (together the "UCITS Regulations"). It was formed on 17 July 2015 with registration number C139549. Its objective, as set out in the ICAV's Instrument of Incorporation, is the collective investment in transferable securities and other liquid financial assets of capital raised from the public. The ICAV is organised in the form of an umbrella fund. The Instrument of Incorporation provides for separate sub-funds, each representing interests in a defined portfolio of assets and liabilities, which may be established from time to time with the prior approval of the Central Bank. The Instrument of Incorporation of the ICAV also provides that the ICAV may offer separate classes of shares, each representing interests in a sub-fund comprising a distinct portfolio of investments. A separate portfolio of assets shall not be maintained for a class. Currently only 1 sub-fund, the EnTrustPermal Alternative Income Strategy ("the Fund") has been established by the ICAV. The Fund formed on 17 July 2015 and was launched on 25 August 2015. The Fund's investment objective is to seek total return comprised of capital appreciation and income. The Fund is a multi-manager, multi-strategy fund that seeks to achieve its investment objective by allocating its assets to a select group of discretionary sub-investment advisers ("Sub-Advisers") that employ a variety of investment strategies.

The ICAV is authorised by the Central Bank of Ireland (the "Central Bank"), under the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), and under UCITS Regulations. It was formed on 17 July 2015 with registration number C139549.

Sub-Advisers

Legg Mason Investments (Ireland) Limited (the "Manager") has appointed EnTrustPermal Ltd. (the "Investment Manager") as the Investment Manager to manage the investment and reinvestment of the Fund's assets. Under the Investment Management Agreement, the Investment Manager may delegate its investment management functions to one or more Sub-Advisers, provided the appointment of each Sub-Adviser is in accordance with the requirements of the Central Bank of Ireland (the "Central Bank").

During the period covered by this report, the Investment Manager had engaged the following entities as Sub-Advisers to provide investment management services to the Fund:

- Axonic Capital LLC
- Brevan Howard Asset Management LLP
- Eiffel Investment Group
- Gracie Capital LP
- Gramercy LLC
- Twin Capital Management LLC

Certain information concerning the Sub-Advisers will be provided by the Investment Manager, free of charge, upon a Shareholder's request and shall be available at the internet address <http://www.entrustpermal.com>.

2. Significant Accounting Policies

The significant accounting policies and estimation techniques adopted by the ICAV in the preparation of those financial statements are set out below.

(a) Basis of Preparation

The ICAV financial statements have been prepared in accordance with Financial Reporting Standard 104 ("FRS 104"), "Interim Financial Reporting", Irish statute comprising of the ICAV Act and the UCITS Regulations. The financial statements have been prepared on a going concern basis for the ICAV under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through the profit or loss.

These condensed unaudited financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2018, which have been prepared in accordance with FRS 102, Irish Statute comprising of the ICAV Act and the UCITS Regulations. The ICAV has availed of the exemption available to open-ended investment funds under Section 7 "Statement of Cash Flows" of FRS 102, not to prepare a cash flow statement on the basis that substantially all of the ICAV's investments are highly liquid and carried at fair value and the ICAV provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

All references to net assets throughout this document refer to net assets attributable to holders of Redeemable Participating Shares unless otherwise stated. All the ICAV's assets and liabilities are held for the purposes of being traded or are expected to be realised within one period.

3. Efficient Portfolio Management

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except as otherwise stated in the investment objective and policies of a fund, a Fund may engage in transactions in financial derivative instruments, whether for efficient portfolio management purposes (i.e. hedging, reducing risks or costs, or increasing capital or income returns) or investment purposes. Furthermore, new techniques and instruments may be developed which may be suitable for use by the Fund in the future and a Fund may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by, the Central Bank.

For UCITS which have engaged in efficient portfolio management techniques, under UCITS Notice 8.5, a UCITS is required to disclose the revenues arising from repurchase agreements and stocklending transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred. **There were no such techniques employed for the period end 31 December 2018** (year ended 30 June 2018: None).

There was no repurchase agreements or security lending contracts entered into during the period ended 31 December 2018 (year ended 30 June 2018: None).

4. Operating Expenses and Other Related Party Transactions

Pursuant to the Management Agreement between the ICAV and Legg Mason Investments (Ireland) Limited, the Manager shall be entitled to receive a management fee out of the assets of the relevant Fund for its services as the Manager, which shall accrue on each Dealing Day and be payable monthly in arrears (the "Management Fee"). The ICAV shall also be responsible for the prompt payment or reimbursement to the Manager of any commissions, transfer fees, registration fees, taxes and similar liabilities, costs and out-of-pocket expenses properly payable or incurred by the Manager on behalf of the ICAV. The Manager shall be responsible for paying the fees (excluding the performance fee described below) and out-of-pocket expenses of the Investment Managers of the relevant Funds out of its own Management Fee. The maximum management fee for each launched class, at 31 December 2018 (expressed as a percentage of the Fund's net asset value attributable to such class) is as follows:

EnTrustPermal Alternative Income Strategy	Maximum Management Fee*
Class A US\$ Accumulating	2.25%
Class A US\$ Distributing Plus (Q)	2.25%
Class A Accumulating Euro (Hedged)	2.25%
Class A Euro Distributing Plus (Q) (Hedged)	2.25%
Class E Euro Accumulating (Hedged)	2.50%
Class F US\$ Accumulating	1.90%
Class R US\$ Accumulating	1.65%
Class R US\$ Distributing Plus (Q)	1.65%
Class R Euro Accumulating (Hedged)	1.65%
Class R Euro Distributing Plus (Q) (Hedged)	1.65%
Class R GBP Distributing Plus (Q) (Hedged)	1.65%
Class S US\$ Accumulating	1.50%

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

EnTrustPermal Alternative Income Strategy	Maximum Management Fee*
Class S Euro Accumulating (Hedged)	1.50%
Class X Euro Accumulating (Hedged)	1.65%
Premier Class US\$ Accumulating	1.65%
Premier Class US\$ Distributing Plus (Q)	1.65%
Premier Class Accumulating Euro (Hedged)	1.65%
Premier Class Euro Distributing Plus (Q) (Hedged)	1.65%
Premier Class CHF Accumulating (Hedged)	1.65%
Premier Class GBP Accumulating (Hedged)	1.65%

* The Maximum Management Fee includes the Management Fee, Investment Management Fee and Distribution Fee payable by the Manager, Investment Manager and/or the Distributor, as applicable on each Share Class of the Fund as well as a Sub-Adviser fee payable pursuant to the terms of the sub-advisory agreements between the Investment Manager and each Sub-Adviser.

Expense Waivers

The Manager may voluntarily undertake to reduce or waive its management fee or to make other arrangements to reduce the expenses of the Fund to the extent that such expenses exceed such lower expense limitation as the Manager may, by notice to the Shareholders, voluntarily declare to be effective. The Manager has currently undertaken to reimburse the Fund so that "Specified Expenses" (as described below) of each Class in the Fund's financial year do not exceed the percentage of the average daily Net Asset Value of such Class listed above. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund, which include offering costs, administration fees, management fees, investor servicing fees and custody fees. "Specified Expenses" does not include the following: (i) establishment expenses relating to the Fund; (ii) Performance Fees or Additional Performance Fees; (iii) distributor fees; (iv) Eligible Collective Investment Scheme fees and expenses; (v) brokerage and trading costs; (vi) interest payments; (vii) taxes; or (viii) extraordinary expenses. The Manager may terminate or modify this arrangement at any time at its sole discretion upon 30 days' notice in writing to the Fund's Shareholders.

Shareholder service fees are payable on all classes except: Class R Share Classes, Class S Share Classes and Premier Share Classes, (each as defined in the Prospectus).

During the period ended 31 December 2018 the total amount reimbursed for Investment Manager fees on the Fund was US\$Nil (period ended 31 December 2017: US\$Nil) and the total amount reimbursed for shareholder services fees on the Fund was US\$Nil (period ended 31 December 2017: US\$35).

Administrator and Depositary Fees

State Street Custodial Services (Ireland) Limited acts as Depositary and State Street Fund Services (Ireland) Limited acts as Administrator to the ICAV. For administration, accounting, shareholder, trustee and custodial services they collectively receive from the Fund fee of up to 0.20% per annum of the Net Asset Value of the Fund.

Performance Fees

The Investment Manager and each of the Sub-Advisers may be entitled to receive a fee (a "Performance Fee") depending on the performance of the share classes of the Fund. For the purposes of calculating such performance fees, the term "Performance Period" means the period beginning on 1 July and ending on 30 June of each year, with the exception of the first Performance Period for a Share Class, which will begin upon the initial issue of shares in that Share Class and end on the following 30 June and the first Performance Period for a Portfolio, which will begin upon the appointment of such Sub-Adviser to manage said Portfolio and will end on the following 30 June.

Investment Manager Performance Fee: Under the terms of the Investment Management Agreement, the ICAV will pay to the Investment Manager out of the assets of the Fund a Performance Fee on each Share Class; provided that the Performance Fee on a Share Class is payable only if the Net Asset Value of such Share Class (before any accruals of Performance Fees or Additional Performance Fees, as defined below) has increased by at least 4 per cent at the end of the relevant Performance Period from the Net Asset Value of such Share Class as at the end of the prior Performance Period, or in the case of the first Performance Period, the Initial Offer Price of such Share Class (the "Sub-Investment Manager Hurdle Rate"). The Investment Manager Hurdle Rate shall be proportionately reduced for any Performance Period that is less than 365 days. The Performance Fee shall be equal to 15 per cent of the New Net Appreciation of the relevant Share Class during the Performance Period above the Investment Manager Hurdle Rate.

The Performance Fee (if any) will accrue each Dealing Day. The amount accrued on each Dealing Day will be determined by calculating the Performance Fee that would be payable if that day was the last day of the current Performance Period. The Performance Fee will be payable by the Fund to the Investment Manager annually in arrears within 45 calendar days of the end of each Performance Period. The calculation of the Performance Fee shall be based upon unaudited information but will be verified by the Depositary.

Sub-Adviser Performance Fees: Under the terms of the sub-advisory agreements between the Investment Manager and the Sub-Advisers, the Investment Manager shall pay each Sub-Adviser a performance fee (the "Sub-Adviser Performance Fee"); provided that the Sub-Adviser Performance Fee is payable on a Sub-Adviser's Portfolio only if the Net Asset Value of such Portfolio (before any accruals of Sub-Adviser Performance Fees) has increased by at least 4 per cent at end of relevant Performance Period from the Net Asset Value of such Portfolio as at the end of the prior Performance Period (the "Sub-Adviser Hurdle Rate"). The Sub-Adviser Hurdle Rate shall be proportionately reduced for any Performance Period that is less than 365 days. The Sub-Adviser Fee shall be equal to 10 per cent of the New Net Appreciation of the Portfolio allocated to such Sub-Adviser during the Performance Period above the Sub-Adviser Hurdle Rate. The Sub-Adviser is entitled to receive such Sub-Adviser Performance Fee until such time, if ever, that the Sub-Adviser ceases to manage the Portfolio (the "Term of Appointment"). A Sub-Adviser may waive their right to receive a Sub-Adviser Performance Fee, in which case no Sub-Adviser Performance Fee will be applicable in respect of the Portfolio managed by that Sub-Adviser. The Sub-Adviser Performance Fee will be calculated and accrued daily during the Term of Appointment and for each Performance Period. Where a Sub-Adviser is entitled to receive a Sub-Adviser Performance Fee in a Performance Period, all or part of that Sub-Adviser Performance Fee, depending upon the arrangements with that Sub-Adviser, will be paid to the Sub-Adviser for that Performance Period. Upon the termination of a Sub-Adviser's appointment, any Sub-Adviser Performance Fees owed will be paid in full. The calculation of any Sub-Adviser Performance Fee must be verified by the Depositary.

Additional Performance Fee: The Investment Manager will pay the Sub-Adviser Performance Fees for a particular Performance Period out of the Performance Fee paid to it for such Performance Period. However, if, as of the end of any Performance Period, the sum of all Sub-Adviser Performance Fees payable to Sub-Advisers in respect of a Performance Period exceeds the Performance Fee payable to the Investment Manager, the Fund will pay an additional amount (the "Additional Performance Fee") to the Investment Manager which shall, in turn, remit the Additional Performance Fee to the relevant Sub-Adviser to cover the shortfall. This may occur where, for example, during a Performance Period one or more Sub-Advisers add value in respect of their Portfolio, while other Sub-Advisers add negative value with respect to their respective Portfolios. Any such Additional Performance Fee paid by the Fund will be deducted from the Investment Manager's Performance Fee before payment to the Investment Manager in subsequent Performance Periods; provided that upon a redemption, the amount of the Additional Performance Fee to be deducted from the Investment Manager's Performance Fee in subsequent Performance Periods shall be decreased by an amount proportionate to the percentage of outstanding Shares redeemed in the relevant Class. For the avoidance of doubt, if the Fund or the Investment Management Agreement is terminated following the payment of an Additional Performance Fee, the Investment Manager shall not be required to reimburse the Fund such Additional Performance Fee.

Performance fees accrued for the period ended 31 December 2018 were US\$Nil (period ended 31 December 2017: US\$235,027).

Directors' Remuneration

Directors' fees accrued for the period ended 31 December 2018 were US\$15,353 (period ended 31 December 2017: US\$14,251).

Director's fees are not payable in respect of Joseph Carrier, Joseph LaRocque and Jane Trust who are employees of Legg Mason.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Other Related Party Transactions

As at 31 December 2018, a wholly owned company of Legg Mason Inc., LM International Holdings LP, held 0.0040% (30 June 2018: 0.0031%) of the issued share capital of the Fund.

As at 31 December 2018, one institution held 59.74% of the redeemable participating shares of the Fund (30 June 2018: 51.69%).

Legg Mason Investments (Ireland) Limited is a wholly-owned subsidiary of Legg Mason Inc.. Each Director of the ICAV is also a Director of Legg Mason Investments (Ireland) Limited.

EnTrust Permal Ltd is a separate subsidiary of EnTrustPermal LLC, Legg Mason Inc. own 65% of EnTrustPermal LLC.

5. Distributions to Holders of Redeemable Participating Shares

Distributing Share Classes

The letter in parentheses at the end of the name of each Distributing Share Class indicates a particular frequency of dividend declarations and dividend payments, as detailed in the following table.

Distributing Share Class Designation	Frequency of Dividend Declarations	Frequency of Dividend Payments
(D)	Daily	Monthly
(M)	Monthly	Monthly
(Q)	Quarterly	Quarterly (October, January, April, July)
(S)	Semi-Annually	Semi-Annually (January, July)
(A)	Annually	Annually (July)

For each Distributing Share Class, at the time of each dividend declaration: (1) all, or some portion of, net investment income, if any, will be declared as a dividend; and (2) all, or some portion, of realised and unrealised capital gains net of realised and unrealised capital losses may be, but is not required to be, declared as a dividend.

Distributing Plus Share Classes, may charge certain fees and expenses to capital rather than income, and there is an increased risk that investors in these Share Classes may not receive back the full amount invested when redeeming their holding. The declaration of distributions in Distributing Plus Share Classes could result in the erosion of capital for investors in those Distributing Plus Share Classes and that increased income will be achieved by foregoing some of the potential for future capital growth. The Distributing Plus Share Classes paid a distribution of US\$1,559,386 (period ended 31 December 2017: US\$1,074,149) out of which US\$113,193 were reinvested in the Fund at 31 December 2018 (31 December 2017: US\$236).

Accumulating Share Classes

With respect to Accumulating Share Classes, it is intended that, in the normal course of business, distributions will not be declared and that any net investment income attributable to each Accumulating Share Class will be accumulated daily in the respective net asset value per share of each respective Share Class.

6. Connected Parties

Regulation 41(1) of the Central Bank (Supervision and Enforcement) Act 2014 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ("Central Bank Regulations") states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is conducted (a) at arm's length; and (b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 78(4) of the Central Bank Regulations, the Directors are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the financial period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

7. Taxation

Under current Irish law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997 (as amended). On that basis, the ICAV will not generally be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a 'Relevant Period', a 'Relevant Period' being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent period of eight years beginning immediately after the preceding Relevant Year.

No Irish tax will arise on the ICAV in respect of chargeable events in respect of:

- a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided an appropriate valid declaration is in place, or the ICAV has been authorised by Irish Revenue to make gross payments in the absence of appropriate declarations; and
- certain exempted Irish tax resident shareholders who have provided the ICAV with the necessary signed statutory declarations.

In addition, any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners will not constitute a chargeable event.

In the absence of an appropriate declaration, the ICAV will be liable to Irish tax on the occurrence of a chargeable event. There were no chargeable events during the period under review.

Capital gains, dividends and interest received may be subject to taxes, including withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its shareholders.

8. Cash and Cash Equivalents

Cash at bank and cash held for diversification is included within cash and cash equivalents. Cash at bank is held with State Street Bank and Trust and its Sub-depositories. Cash held for diversification is held with Citibank and BNP Paribas.

Counterparty	Cash at bank	Cash held for diversification	Cash at bank	Cash held for diversification
	('000's)	('000's)	('000's)	('000's)
	31 December 2018	31 December 2018	30 June 2018	30 June 2018
	US\$	US\$	US\$	US\$
BNP Paribas	–	11,055	–	28,908
Citibank	–	26,104	–	37,354
State Street Bank and Trust	56,655	–	66,965	–
Total amount	56,655	37,159	66,965	66,262

Cash collateral relates to cash provided to brokers for collateral purposes. As at 30 June 2018, cash collateral is held for options and swaps by JP Morgan, Barclays Bank, Credit Suisse and Morgan Stanley.

Counterparty	Cash collateral	Cash collateral
	('000's)	('000's)
	31 December 2018	30 June 2018
	US\$	US\$
Barclays Bank	2,067	813
Credit Suisse	2,310	2,178
JP Morgan	2,438	6,926
Morgan Stanley	8,527	12,598
Total amount	15,342	22,515

Notes to Financial Statements – (continued)

8. Cash and Cash Equivalents – (continued)

Counterparty	Due to broker (‘000’s) 31 December 2018 US\$	Due to broker (‘000’s) 30 June 2018 US\$
Barclays Bank	(2,281)	(1,921)
Credit Suisse	(1,300)	–
Morgan Stanley	(700)	–
Total amount	(4,281)	(1,921)

Cash at broker relates to cash provided to brokers for margin requirements for futures, options and swaps. As at 31 December 2018, Margin cash is held with Credit Suisse and Barclays Bank.

Counterparty	Margin cash (‘000’s) 31 December 2018 US\$	Margin cash (‘000’s) 30 June 2018 US\$
Barclays Bank	7,059	7,832
Credit Suisse	2,992	3,071
Total amount	10,051	10,903

9. Commitments and Contingent Liabilities

There were no significant commitments or contingent liabilities at the Statement of Financial Position date (30 June 2018: Nil).

10. Soft Commission Arrangements

The Investment Manager or Sub-Advisers may direct transactions to brokers in return for research services. In such circumstances, the Investment Manager or Sub-Advisers may enter into soft commission agreements or similar arrangements with such brokers. Under such arrangements, the Investment Manager or Sub-Advisers must ensure that the broker or counterparty to the arrangement has agreed to provide best execution to the Fund and that the benefit provided assists the Investment Manager or Sub-Advisers in its provision of investment services to the Fund. The total value of soft commission arrangements entered into on behalf of the Fund for the period ended 31 December 2018 is US\$Nil (period ended 31 December 2017: US\$19,143).

11. Exchange Rates

The following exchange rates were used in these financial statements to obtain the equivalent U.S. Dollar amounts.

USD	Country	Exchange rates as at 31 December 2018	Exchange rates as at 30 June 2018
	Australian Dollar	1.4197	1.3513
	Brazilian Real	3.8758	3.8758
	British Pound	0.7846	0.7577
	Canadian Dollar	1.3652	1.3147
	Chilean Peso	694.0000	653.395
	Euro	0.8728	0.8563
	Hong Kong Dollar	7.8305	7.8456
	Hungarian Forint	280.2008	282.0004
	Indian Rupee	69.8150	68.515
	Israeli New Shekel	3.7392	3.6583
	Japanese Yen	109.6050	110.715
	Mexican Peso	19.6518	19.8603
	New Zealand Dollar	1.4899	1.4765
	Norwegian Krone	8.6465	8.1444
	Philippine Peso	52.5850	53.3675
	Polish Zloty	3.7424	3.7457
	Singapore Dollar	1.3630	1.3625
	South African Rand	14.3875	13.7175
	South Korean Won	1,115.8000	1,114.5
	Swedish Krona	8.8630	8.9568
	Swiss Franc	0.9829	0.9903
	Thailand Baht	32.5600	33.13
	Turkish Lira	5.2925	4.5939

12. Direct Brokerage Services

During the period ending 31 December 2018 the ICAV did not utilise any direct brokerage services (year ending 30 June 2018: None).

13. Risk Exposure and Risk Management

The Investment Manager is responsible for selecting the investment strategies in which the Fund invests and identifying and retaining Sub-Advisers with expertise in the selected investment strategies. The Investment Manager seeks to reduce risk and volatility in the Fund through diversification of the Fund’s exposure to multiple Sub-Advisers and investment strategies.

The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that any appreciation in value will occur. There can be no assurance that a Fund will achieve its investment objective.

In pursuing its investment objectives, the ICAV holds financial derivative instruments (“FDIs”). The ICAV’s financial derivative instruments held at 31 December 2018 are disclosed in the Portfolio of Investments.

The main risks arising from the ICAV’s financial instruments are market risk, liquidity risk and credit risk.

EnTrustPermal Ltd. operates a risk management process on behalf of the Fund in relation to the Fund’s use of FDIs which allows EnTrustPermal Ltd. to measure, monitor and manage various risks associated with FDIs and which is intended to ensure that the Fund’s FDI exposure remains within the limits described below. The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDIs which a Sub-Adviser or EnTrustPermal Ltd. proposes to employ on behalf of the Fund (the “Risk Management Process”). Until such time as the Risk Management Process has been updated and cleared by the Central Bank, however, neither a Sub-Adviser nor EnTrustPermal Ltd. will use any FDI which is not for the time being included in the Risk Management Process.

EnTrustPermal Ltd. pursuant to various sub-adviser agreements, delegates certain investment management responsibilities in relation to Portfolios to Sub-Advisers representing distinct investment styles and expertise in an asset class.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

The ICAV's financial risk management objectives and policies continue to be consistent with those disclosed in the ICAV's Annual Report and Audited Financial Statements as at and for the financial period ended 30 June 2018.

Fair Value Estimation

The ICAV classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, FRS 102 requires the ICAV to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include deposits held with banks and other short-term investments in an active market and they are categorised as Level 2.

Receivable for investments sold and other receivables include the contractual amounts for settlement of trades and other obligations due to the ICAV. Payable for investments purchased and other payables represent the contractual amounts and obligations due by the ICAV for settlement of trades and expenses. All receivable and payable balances are categorised as Level 2.

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of each Fund within the ICAV in accordance with the Funds' offering documentation. These shares are not traded on an active market. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Funds at any dealing date for cash/assets equal to a proportionate share of the Fund's NAV attributable to the share class.

The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares held.

All forward foreign exchange contracts are classified as Level 2 since they are valued using observable inputs but are not quoted in an active market.

The ICAV holds one bond investment classified within level 3, Deephaven Residential Mortgage Trust 2018-3 with market value of US\$1,249 (30 June 2018: US\$2,435). There was one transfer between levels during the year ended 30 June 2018 and period ended 30 June 2017.

The following table analyses under the fair value hierarchy the Funds' financial assets and financial liabilities measured at fair value at 31 December 2017 and 30 June 2018:

	EnTrustPermal Alternative Income Strategy Fund as at 31 December 2018 (000's) US\$	EnTrustPermal Alternative Income Strategy Fund as at 30 June 2018 (000's) US\$
Level 1		
Bonds	–	–
Equity Instruments	16,019	53,203
Depository receipt	5,774	
Warrant	4	5
Derivative assets held for trading	623	881
Derivative liabilities held for trading	(930)	(634)
	21,490	53,455
Level 2		
Bonds	245,753	330,090
Equity Instruments	–	–
Preferred Stock	–	–
Derivative assets held for trading	5,599	8,801
Derivative liabilities held for trading	(7,636)	(33,109)
	243,716	305,782
Level 3		
Bonds	1,249	2,435
Equity Instruments	–	–
Derivative assets held for trading	–	–
Derivative liabilities held for trading	–	–
	1,249	2,435
Total Investments	266,455	361,672

Notes to Financial Statements – (continued)

14. Significant Shareholders

The following tables detail the number of shareholders with significant holdings of at least 20 per cent of the ICAV and the percentage of that holding of the ICAV's NAV as at 31 December 2018 and 30 June 2018.

Fund	Number of significant shareholders	Total holding as at 31 December 2018	Aggregate shareholding as a % of the Fund
EnTrustPermal Alternative Income Strategy Fund	1	2,075,621	59.74

Fund	Number of significant shareholders	Total holding as at 30 June 2018	Aggregate shareholding as a % of the Fund
EnTrustPermal Alternative Income Strategy Fund	1	2,305,692	51.69

15. Significant Events

The new Prospectus and the Fund Supplement were issued on 21 December 2018.

On 21 December 2018, Legg Mason Investments (Ireland) Limited was appointed the UCITS management company of the ICAV.

16. Segregated Liability

The ICAV is an umbrella fund with segregated liability between its sub-funds. As such, as a matter of Irish law the assets of each of the Funds will not be exposed to the liabilities of the ICAV's other sub-funds. Notwithstanding the foregoing there can be no assurance that, should an action be brought against the ICAV in the court of another jurisdiction, the segregated nature of the sub-funds would necessarily be upheld. As at 31 December 2018 there was only one sub-fund launched in the ICAV (30 June 2018: one).

17. Subsequent Events

There were no events since the period end, which require adjustment to or disclosure in the financial statements.

18. Approval of the Report

On 19 February 2019, the Semi-Annual Report and unaudited financial statements were presented to and noted by the Board of Directors and were approved for filing with the Central Bank of Ireland and for circulation to the shareholders.

Statement of Major Portfolio Changes*

EnTrustPermal Alternative Income Strategy

	COST (in 000's)		PROCEEDS (in 000's)
MAJOR PURCHASES		MAJOR SALES	
Express Scripts Holding Co	16,418	United States Treasury Bill 0.000% due 15/11/18	14,962
United States Treasury Bill 0.000% due 15/11/18	15,923	United States Treasury Note 2.875% due 31/10/20	12,004
United States Treasury Note 2.875% due 31/10/20	12,016	United States Treasury Note 2.750% due 30/09/20	11,989
United States Treasury Note 2.750% due 30/09/20	11,975	NXP Semiconductors NV	11,890
JPMorgan Liquidity Funds – USD Liquidity LVNAV Fund	9,364	Express Scripts Holding Co	11,810
United States Treasury Note 2.750% due 30/11/20	8,985	JPMorgan Liquidity Funds – USD Liquidity LVNAV Fund	11,460
Rockwell Collins Inc	8,292	Institutional Cash Series Plc – Institutional US Dollar Liquidity Fund	10,125
State Street Global Advisors Liquidity Plc – US Treasury Liquidity Fund	8,000	United States Treasury Note 2.750% due 30/11/20	9,012
Institutional Cash Series Plc – Institutional US Dollar Liquidity Fund	7,396	State Street Global Advisors Liquidity Plc – US Treasury Liquidity Fund	8,000
Shire Plc	6,111	CNX Resources Corp 5.875% due 15/04/22	6,944
XL Group Ltd	5,612	JPMorgan Chase Commercial Mortgage Securities Trust 2018-PHH 5.465% due 15/06/35	5,605
JPMorgan Chase Commercial Mortgage Securities Trust 2018-PHH 5.465% due 15/06/35	5,584	Westlake Automobile Receivables Trust 2018-1 5.600% due 15/07/24	5,164
United States Treasury Note 2.500% due 31/12/20	4,995	Ball Corp 4.875% due 15/03/26	4,981
BSPRT 2018-FL4 Issuer Ltd 5.205% due 15/01/19	4,766	Aetna Inc	4,803
Intelsat Luxembourg SA 8.125% due 01/06/23	4,394	Akorn Inc	4,552
CFG Investments 2017-1 Ltd 7.870% due 15/01/26	3,892	SPDR Bloomberg Barclays Short Term High Yield Bond ETF	4,374
United States Treasury Bill 0.000% due 22/01/19	3,593	Itau Unibanco Holding SA 6.125% due 31/12/99	4,015
Westlake Automobile Receivables Trust 2018-3 6.020% due 18/02/25	3,346	Twenty-First Century Fox Inc	3,693
Prosper Marketplace Issuance Trust Series 2018-1 5.700% due 17/06/24	3,314	Altaba Inc	3,627
NXP Semiconductors NV	3,254	Arbor Realty Commercial Real Estate Notes 2018-FL1 Ltd 5.505% due 15/01/19	3,485
Orbotech Ltd	2,529	Carnow Auto Receivables Trust 2017-1 5.750% due 16/10/23	3,378
Linde AG	2,486	Westlake Automobile Receivables Trust 2018-2 6.040% due 15/01/25	3,197
Twenty-First Century Fox Inc	2,453	Altice Finco SA 8.125% due 15/01/24	3,131
Cigna Corp	2,434	Southwestern Energy Co 7.750% 01/10/2027	2,970
		LoanCore 2018-CRE1 Issuer Ltd 5.405% due 15/05/28	2,879
		Cigna Corp	2,761

* Major portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate sales of a security exceeding one per cent of the total value of sales for the year. At a minimum, the 20 largest purchases and 20 largest sales must be shown.

General Data Protection Regulation

Effective 25 May 2018, there were be changes to the rules applicable to the processing of personal data (including Shareholder data) by the ICAV. The purpose of this disclosure is to notify Shareholders of their rights as data subjects and to explain how and why the ICAV and its service providers hold and process personal data.

By completing the application form for ICAV shares, investors provide personal information, which may constitute “personal data” within the meaning of the Data Protection Legislation¹. The following indicates the purposes for which Shareholders’ personal data may be used by the ICAV and the legal bases for such uses:

- to manage and administer the Shareholder’s holding in the ICAV and any related accounts on an ongoing basis as required for the performance of the contract between the ICAV and the Shareholder and to comply with legal and regulatory requirements;
- to carry out statistical analysis (including data profiling) and market research in the ICAV’s legitimate business interest;
- for any other specific purposes where the Shareholder has given specific consent. Such consent may be subsequently withdrawn by the Shareholder at any time, without affecting the lawfulness of processing based on consent before its withdrawal;
- to comply with legal, taxation and regulatory obligations applicable to the Shareholder and/or the ICAV from time to time, including applicable anti-money laundering and counter terrorist legislation. In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders’ personal data (including financial information) may be shared with the Irish tax authorities and the Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard;
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the United States, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above as required for the performance of the contract between the ICAV and the Shareholder or as needed in the ICAV’s legitimate business interests.

Shareholders’ personal data may be disclosed by the ICAV to its delegates and service providers (including Managers, Investment Managers, Distributors, Shareholder Servicing Agents, the Administrator and the Depositary), its duly authorised agents and any of its respective related, associated or affiliated companies, professional advisors, regulatory bodies, auditors and technology providers for the same purpose(s).

Shareholders’ personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the ICAV will ensure that such processing of such personal data complies with Data Protection Legislation and, in particular, that appropriate measures are in place, such as entering into Model Contractual Clauses (as published by the European Commission) or ensuring that the recipient is Privacy Shield certified, if appropriate. If you require more information on the means of transfer of their data or a copy of the relevant safeguards, please contact the Administrator, by email at LeggMasonTA@statestreet.com, by phone at +353 1 242 5568 or by fax at +353 1 438 9582.

Pursuant to the Data Protection Legislation, Shareholders have several rights which they may exercise in respect of their personal data, namely:

- the right of access to personal data held by the ICAV;
- the right to amend and rectify any inaccuracies in the personal data held by the ICAV;
- the right to erase the personal data held by the ICAV;
- the right to data portability of the personal data held by the ICAV; and
- the right to request restriction of the processing of the personal data held by the ICAV.

In addition, shareholders have the right to object to processing of personal data by the ICAV.

The above rights will be exercisable by shareholders subject to limitations as provided for in the Data Protection Legislation. Shareholders may make a request to the ICAV to exercise these rights by contacting the Administrator, by email at LeggMasonTA@statestreet.com, by phone at +353 1 242 5568 or by fax at +353 1 438 9582.

Please note that Shareholders’ personal data will be retained by the ICAV for the duration of their investment and otherwise in accordance with the ICAV’s legal obligations including, but not limited to, the ICAV’s record retention policy.

The ICAV is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by shareholders in confidence and in accordance with the Data Protection Legislation. Note that Shareholders have the right to lodge a complaint with the Office of the Data Protection Commissioner if they believe that the processing of their data has been unlawful.

¹ “Data Protection Legislation” means the Irish Data Protection Act, 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive).

Financial Information – Total Expense Ratios (TER)

Total Expense Ratios (“TER”)

The Total Expense Ratio (“TER”) was calculated according to currently valid guidelines of the Swiss Funds & Asset Management Association SFAMA.

The key figures as at 31 December 2018 were as follows:

Share Class	TER	
	31 December 2018	30 June 2018
Class A Accumulating Euro (Hedged)	2.69%	2.64%
Class A Euro Distributing Plus (Q) (Hedged)	2.69%	2.65%
Class A US\$ Accumulating	2.65%	2.61%
Class A US\$ Distributing Plus (Q)	2.66%	2.61%
Class E Euro Accumulating (Hedged)	2.69%	2.66%
Class F US\$ Accumulating	2.07%	2.03%
Class R Euro Accumulating (Hedged)	1.68%	1.63%
Class R Euro Distributing Plus (Q) (Hedged)	1.69%	1.64%
Class R GBP Distributing Plus (Q) (Hedged)	1.69%	1.65%
Class R US\$ Accumulating	1.66%	1.60%
Class R US\$ Distributing Plus (Q)	1.68%	1.61%
Class S US\$ Accumulating	1.72%	1.68%
Class S Euro Accumulating E (Hedged)	1.68%	1.68%
Class X Euro Accumulating (Hedged)	2.06%	2.03%
Premier Class Accumulating Euro (Hedged)	1.94%	1.89%
Premier Class CHF Accumulating (Hedged)	1.93%	1.90%
Premier Class Euro Distributing Plus (Q) (Hedged)	1.91%	1.87%
Premier Class GBP Accumulating (Hedged)	1.98%	1.96%
Premier Class US\$ Accumulating	1.91%	1.85%
Premier Class US\$ Distributing Plus (Q)	1.89%	1.82%

1) The Total Expense Ratio (“TER”) is calculated according to the following formula: $(\text{total expenses} / \text{AF}) * 100$; AF (= average fund assets)

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