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LEGG MASON QUALIFIED INVESTOR FUNDS (II) PLC

(an open-ended investment company with variable capital incorporated with limited liability in Ireland with registered number 526899 and established as an umbrella fund with segregated liability between sub-funds)

PROSPECTUS

for the

LEGG MASON WESTERN ASSET NON-AGENCY MORTGAGE-BACKED SECURITIES FUND

LEGG MASON WESTERN ASSET SENIOR LOANS FUND

LEGG MASON WESTERN ASSET INDIA BOND FUND

**LEGG MASON WESTERN ASSET GLOBAL TOTAL RETURN INVESTMENT GRADE BOND
FUND**

LEGG MASON WESTERN ASSET HIGH YIELD CREDIT ENERGY FUND

**LEGG MASON WESTERN ASSET GROWTH & INCOME MANAGED AGGREGATE
STRATEGY FUND**

WESTERN ASSET EUROPEAN LOAN FUND

Dated 1 February 2021

IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE CONTENTS OF THIS PROSPECTUS OR THE SUITABILITY OF AN INVESTMENT IN THE FUNDS FOR YOUR PARTICULAR CIRCUMSTANCES YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

Certain terms used in this Prospectus are defined in the section of the Prospectus entitled “Definitions”.

CENTRAL BANK AUTHORISATION

The Company has been authorised by the Central Bank as an investment company pursuant to Part 24 of the Companies Act, 2014. The authorisation of this scheme is not an endorsement or guarantee of the scheme by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The Central Bank shall not be liable by virtue of its authorisation of this scheme or by reason of its exercise of the functions conferred on it by legislation in relation to this scheme for any default of the scheme. Authorisation of this scheme does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the scheme. The minimum subscription into the Company, except in the case of a Knowledgeable Investor, is not less than €100,000 or the U.S. Dollar equivalent thereof and an investment in the Company may only be made by a Qualifying Investor.

The Company and the Funds have been authorised by the Central Bank to market solely to Qualifying Investors. Accordingly, the scheme is a Qualifying Investor AIF under the Central Bank’s current rules and while this scheme is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage, which may be employed by the scheme nor has the Central Bank reviewed this Prospectus. The scheme must comply with the aim of spreading investment risk in accordance with the Companies Act, 2014.

Shareholders should note that all of the fees and expenses of the Distributing Share Classes of the Funds may be charged to the capital of the relevant Fund. The reason for charging these fees and expenses against capital is to seek to increase the amount of distributable income but this may be achieved by foregoing the potential for future capital growth. This will have the effect of lowering the capital value of your investment. Thus on redemptions of holdings, Shareholders may not receive back the full amount invested.

INVESTMENT RISKS

It should be appreciated that the value of the Shares and the income from them may fall as well as rise. Accordingly, an investor may not get back the full amount invested. As the Company is not subject to the restrictions deemed necessary for the protection of retail investors, investors should be aware of the potential for above average risk in investing in the Shares. Investment in the Shares is suitable only for investors able to tolerate such risk. Details of certain investment risks for an investor are set out in the section of the Prospectus entitled “Special Considerations and Risks”.

In making an investment decision, investors must rely on their own examination of the Funds and the terms of the offering, including the merits and risks involved. The Funds are suitable only for sophisticated investors and require the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Funds. Investors should be aware that they may be required to bear the financial risks of an investment for an indefinite period of time.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Funds. No assurance can be given that the Funds' investment objectives will be achieved. Prospective investors are not to construe this Prospectus as legal or tax advice. Each prospective investor should consult its own counsel and accountant for advice concerning the various legal, tax and economic considerations relating to its investment in the Funds.

Although the Funds may be similar to one or more other investment vehicles or accounts advised by the investment manager or its affiliates, the Company is a separate legal entity and each Fund has its own distinct investment objectives, policies, risks and expenses as explained in this Prospectus. The Funds and any other investment vehicle or account advised by the Investment Manager or its affiliates will have different investment results, and information about those other investment vehicles and accounts should not be assumed to apply to the Funds.

SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

United States

The Shares of the Funds have not been registered under the Securities Act of 1933 (the "Securities Act") and the Funds have not been registered under the Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered directly or indirectly, in the United States, its territories or possessions or to U.S. Persons. The Shares may only be offered and sold to Non-U.S. Persons.

Australia

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) ("Corporations Act") and does not constitute a recommendation to acquire, an invitation to apply for, and offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Prospectus may not be issued or distributed in Australia and the shares of the Funds may not be offered, issued, sold or distributed in Australia by the AIFM, the Investment Manager, Sub-Investment Managers or any other person, under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise.

This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Shares to a ‘retail client’ (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

Applicants will be required to certify whether they are Irish Residents.

EU Regulation on Packaged Retail and Insurance-Based Investment Products (EU 1286/2014) (“PRIIPS”)

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MARKETING RULES

Within the EU, Qualifying Investor AIFs such as the Funds may only be marketed to professional investors as defined in AIFMD unless the Member State in question permits, under the laws of that Member State, AIFs such as the Funds to be sold to other categories of investors and this permission encompasses investors set out in categories (i)(1)(B) and (C) in the definition of “Qualifying Investor” below.

Shares of the Funds are offered only on the basis of the information contained in the current Prospectus and, as appropriate, the latest audited annual accounts. However, Shareholders should note that the audited financial statements contained in the annual report are presented to the Shareholders as a body at the date of the audited financial statements and the auditors do not accept liability to any other party in respect of such financial statements.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland. Translations shall contain only the same information as is herein contained and the translations shall have the same meaning as in this Prospectus.

This Prospectus should be read in its entirety before making an application for Shares.

LEGG MASON QUALIFIED INVESTOR FUNDS (II) PUBLIC LIMITED COMPANY

DIRECTORY

Directors of the Company

Joseph Carrier
Fionnuala Doris
William Jackson
Joseph Keane
Joseph LaRocque
Jaspal Sagger
Jane Trust

Registered Office

Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

AIFM

Franklin Templeton International
Services, S. à r.l
8A, rue Albert Borschette, L-1246
Luxembourg, Grand Duchy of
LuxembourgG

Investment Manager

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London EC2A 2EN
United Kingdom

Company Secretary

Bradwell Limited
10 Earlsfort Terrace
Dublin 2
Ireland

Depository

The Bank of New York Mellon SA/NV, Dublin
Branch
Riverside Two
Sir John Rogerson's Quay
Dublin 2
D02 KV60
Ireland

Administrator

BNY Mellon Fund Services (Ireland)
Designated Activity Company
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Directors of the AIFM

Craig Blair
Bérengère Blaszczyk
Paul Brady
Paul Collins
William Jackson
Gwen Shaneyfelt

Chartered Accountants and Registered Auditors

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

Legal Advisers

Arthur Cox LLP
10 Earlsfort Terrace
Dublin 2
Ireland

Sub-Investment Managers

Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, Legg Mason Western Asset Senior Loans Fund, Legg Mason Western Asset High Yield Credit Energy Fund and Western Asset European Loan Fund

Western Asset Management Company, LLC
385 East Colorado Boulevard
Pasadena
California 91101
USA

Legg Mason Western Asset India Bond Fund

Western Asset Management Company, LLC
385 East Colorado Boulevard
Pasadena, California 91101
USA

Western Asset Management Company Pte. Ltd
1 George Street, #23-01
Singapore 049145, Singapore

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

Western Asset Management Company, LLC
385 East Colorado Boulevard
Pasadena, California 91101
USA

Western Asset Management Company Pte. Ltd
1 George Street, #23-01
Singapore 049145, Singapore

Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários Limitada
Av. Pres. Juscelino Kubitschek
n°1455-15th Floor – 04543011
São Paulo – SP – Brazil

Western Asset Management Company Ltd
Shin-Marunouchi Building, 5-1 Marunouchi
1-Chome, Chiyoda-ku
Tokyo 100-6536, Japan

Western Asset Management Company Pty Ltd
Level 48
120 Collins Street
Melbourne
Victoria 3000, Australia

Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund

Western Asset Management Company, LLC
385 East Colorado Boulevard
Pasadena, California 91101
USA

Western Asset Management Company Pte. Ltd
1 George Street, #23-01
Singapore 049145, Singapore

Western Asset Management Company Distribuidora de Titulos e Valores Mobiliários Limitada
Av. Pres. Juscelino Kubitschek
n°1455-15th Floor – 04543011
São Paulo – SP – Brazil

Western Asset Management Company Ltd
Shin-Marunouchi Building, 5-1 Marunouchi
1-Chome, Chiyoda-ku
Tokyo 100-6536, Japan

Western Asset Management Company Pty Ltd
Level 48
120 Collins Street
Melbourne
Victoria 3000, Australia

Distributors

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

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London EC2A 2EN, United Kingdom

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

Sub-Distributors

All Funds

Western Asset Management Company, LLC
385 East Colorado Boulevard
Pasadena
California 91101, USA

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

Western Asset Management Company Pte. Ltd
1 George Street, #23-01
Singapore 049145, Singapore

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

Western Asset Management Company Pty Ltd

Level 48

120 Collins Street

Melbourne

Victoria 3000, Australia

Western Asset Management Company Pte. Ltd

1 George Street, #23-01

Singapore 049145, Singapore

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LEGG MASON QUALIFIED INVESTOR FUNDS (II) PLC

SUMMARY

Structure

The Company is an umbrella fund with segregated liability between funds established as an open-ended, variable capital investment company incorporated as a public limited company under the laws of Ireland. The Articles of Association provide for separate funds, each representing interests in a separate and defined portfolio of assets and liabilities which may be issued from time to time with the approval of the Central Bank. Each Fund may issue more than one class of Shares.

The Company has been authorised by the Central Bank as a Qualifying Investor AIF and is managed by the AIFM acting as an external AIFM pursuant to Chapters 2 and 3, respectively, of the AIF Rulebook. The Company may market the Shares to professional investors within the meaning of AIFMD in another EU Member State pursuant to Article 32 of AIFMD. The AIFM is responsible for ensuring compliance with AIFMD, including, without limitation, meeting with various organisational requirements and conduct of business rules, adopting and implementing a programme of activities and various policies and procedures (which address areas such as risk management, liquidity management and remuneration) and complying with ongoing capital, reporting and transparency obligations. The Company shall not raise capital from the public through the issue of debt securities.

As of the date of this Prospectus, the following Share Classes are available:

Share Class	Eligibility
Institutional	For investors based in the EU, Institutional Share Classes are available to “Eligible Counterparties” as defined under MiFID II. For investors based outside the European Union, Institutional Share Classes are available to institutional investors.
Class X	Available to “Professional Investors” as defined under MiFID II and investors with a discretionary investment agreement with a dealer or other entity appointed by a Distributor with respect to such Shares.
Class LM	Available at the discretion of the Directors or Distributors to qualifying investors who are members of the Legg Mason group, retirement schemes and schemes of a similar nature sponsored by member of the Legg Mason group, or clients of such members.

The Company offers investment in the Share Classes of the Funds as set out in Schedule 1.

Investment Objectives and Policies of the Funds

Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund

The Fund’s investment objective is to seek to maximise total return, consisting of income and capital appreciation. The Fund will invest at least 65% of its Net Asset Value in U.S. Dollar denominated listed and unlisted non-agency mortgage-backed securities (i.e. mortgaged backed securities which are issued by non-governmental issuers such as trusts and other special purpose entities) and collateralised mortgage obligations.

Legg Mason Western Asset Senior Loans Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation while managing overall portfolio risk. The Fund will invest at least 75% of its Net Asset Value in U.S. Dollar denominated loans and loan participations (i.e. participation interests in other lenders' portions of loans). Typically the Fund's exposure to below Investment Grade debt securities will be at least 80% of the Net Asset Value of the Fund.

Legg Mason Western Asset India Bond Fund

The Fund's investment objective is to seek to maximise total return, consisting of current income and medium- to long-term capital appreciation, consistent with prudent investment management. The Fund intends to invest at least 80% of its assets in sovereign debt securities issued by the Republic of India and in fixed income securities of other issuers (including corporate issuers) domiciled in India and supranational entities that issue fixed income securities denominated in INR. The Fund may invest in Investment Grade debt securities, debt securities rated below Investment Grade and unrated debt securities.

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation. The Fund will invest at least two-thirds of its Net Asset Value in the global fixed income markets. The Fund will invest primarily in debt securities that are listed or traded on regulated markets globally and that are denominated in a variety of currencies.

For further information regarding the investment objective and policy of each Fund refer to the section of this Prospectus entitled "Investment Objective and Policies".

Legg Mason Western Asset High Yield Credit Energy Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation while managing overall portfolio risk. The Fund will invest at least 80% of its Net Asset Value in debt securities issued by Energy Market participants that are rated, at the time of purchase as below Investment Grade. The Fund may also invest in debt securities rated Investment Grade. The Fund will invest principally in debt securities issued by Energy Market participants and listed or traded on a regulated market globally.

Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation. The Fund will invest at least two-thirds of its Net Asset Value in the global fixed income markets. The Fund will invest primarily in debt securities that are denominated in U.S. Dollars, Euro, Japanese Yen, Pound Sterling and variety of other currencies and are listed or traded on regulated markets globally.

Western Asset European Loan Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation while managing overall portfolio risk. The Fund will invest at least 70% of its Net Asset Value in Euro denominated loans and loan participations (i.e. participation interests in other lenders' portions of loans). Typically, the Fund's exposure to below Investment Grade debt securities or other instruments (including but not limited to loans and loan participations) will be at least 80% of the Net Asset Value of the Fund.

Taxation

Non-Irish resident investors in the Company will be exempt from Irish income, capital gains and capital acquisitions taxes. No Irish stamp duty or other taxes are payable on subscriptions for Shares and transfers of Shares. For further information refer to the section of this Prospectus entitled “Taxation”.

Dividends

The dividend policy of the Share Classes is set out in Schedule 1.

Subscriptions and Redemptions

Subscriptions for shares of the Funds may be made in the currency of the relevant Share Class.

The minimum initial investment and minimum subsequent investment for each Share Class are set out in Schedule 1. During the Initial Offer Period, the initial subscription price per Share of each Fund shall be the initial offer price. Thereafter, Shares will be issued and redeemed at the Net Asset Value per Share. The Directors also, in their discretion, may accept subscriptions in amounts lesser than the minimum initial investment and minimum subsequent investment for the Funds. Except in the case of a Knowledgeable Investor, in no event shall the initial minimum subscription be less than €100,000 or the U.S. Dollar equivalent thereof.

A dilution adjustment may be payable on subscriptions for and redemptions of Shares to a Fund. These charges are intended to compensate the Fund for the costs of acquiring additional investments or disposing of investments as a result of subscriptions for Shares or redemptions of Shares in the Fund.

Fees and Expenses

Investors’ attention is drawn to the details of the fees and expenses charged to the Funds set out in the section of this Prospectus entitled “Fees and Expenses”.

Dealing Days

Subscriptions for Shares and redemptions of Shares may be made on each Dealing Day, except where the Net Asset Value determination has been temporarily suspended in the circumstances outlined in the section of this Prospectus entitled “Temporary Suspension of Valuation of the Shares and of Sales and Redemptions.”

Investor Restrictions

The Shares may not be purchased or held by persons who are not Qualifying Investors. See “Definitions” section. The Shares of the Funds have not been registered under the Securities Act and the Funds have not been registered under the Investment Company Act. Therefore, the Shares of the Funds may not be offered publicly to a U.S. Person (as defined herein) other than U.S. Persons who are “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act, “accredited investors” under Regulation D promulgated under the Securities Act. For more information concerning the eligibility requirements for investing in the Funds, please refer to the section of this Prospectus entitled “Application for Shares, Minimum Investment and Currency of Investment”.

Investment Risks

An investment in the Company should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. A description of certain investment risks relevant to investors in the Company is set out in the section of this Prospectus entitled “Special Considerations and Risks”.

DEFINITIONS

In this Prospectus the following words and phrases shall have the meanings indicated below:

“Accumulating Share Classes”	means Share Classes which accumulate, rather than distribute, income and capital gains;
“Administrator”	means BNY Mellon Fund Services (Ireland) Designated Activity Company;
“Administration Agreement”	means the administration agreement dated 7 May 2013 between the Company and the Administrator as amended by amendment agreement dated 22 July 2014 between the Company, Legg Mason Investments (Ireland) Limited and the Administrator, and any subsequent amendments thereto, pursuant to which the latter was appointed administrator of the Company, as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM;
“AIF”	means an alternative investment fund as defined in AIFMD;
“AIF Rulebook”	means the Central Bank’s AIF Rulebook, as such may be amended, supplemented or replaced from time to time;
“AIFM”	means an alternative investment fund manager as defined in AIFMD and, in the case of the Company, Franklin Templeton International Services S.à r.l;
“AIFM Agreement”	means the alternative investment fund manager agreement between the Company and Legg Mason Investments (Ireland) Limited, as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM, and any subsequent amendments or novations thereto;
“AIFMD”	means the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as such may be amended, supplemented or replaced from time to time;
“AIFMD Regulations”	means the European Union (Alternative Investment Fund Managers) Regulations 2013 (Statutory Instrument No. 257 of 2013) as may be amended or supplemented from time to time;
“Articles of Association” or “Articles”	means the Articles of Association of the Company;
“AUD”	means the Australian Dollar, the lawful currency of Australia;
“Base Currency”	means the base currency of a Fund as specified in the section entitled “Investment Objectives and Policies”;
“Business Day”	means, unless otherwise determined by the Directors and notified in advance to Shareholders, (i) in the case of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Senior Loans

Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund; the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund; and the Western Asset European Loan Fund, a day on which the New York Stock Exchange is open for normal business, and (ii) in the case of the Legg Mason Western Asset India Bond Fund, a day on which retail banks in Singapore are open, a day on which the India Stock Exchange is open and on which the New York Stock Exchange is open for normal business, or such other days as the Directors may determine;

“Central Bank”	means the Central Bank of Ireland, or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
“Class”	means a class of Shares, each representing an interest in a Fund;
“Class Expenses”	means the expenses of registering a Class in any jurisdiction or with any stock exchange, regulated market or settlement system and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in this Prospectus;
“Code”	means the U.S. Internal Revenue Code of 1986, as amended;
“Companies Act”	means the Companies Act, 2014, all statutory instruments which are to be read as one with, or construed or read together with or as one with, the Companies Act and every statutory modification and re-enactment thereof for the time being in force;
“Company”	means Legg Mason Qualified Investor Funds (II) plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act;
“Constitution”	means the constitution of the Company, which includes its memorandum of association and Articles of Association;
“Data Protection Legislation”	the Irish Data Protection Acts, 1988 to 2018, the General Data Protection Regulation (Regulation (EU) 2016/679), the EU ePrivacy Directive 2002/58/EC (as amended) and any replacement to those laws (including, when it comes into force, the successor to the ePrivacy Directive);
“Dealing Cut-Off Time”	means in the case of: <ul style="list-style-type: none">(i) the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund 4.00 p.m. (New York time) on a Dealing Day in respect of subscriptions and at least five (5) Business Days prior to the relevant Valuation Point in respect of redemptions;(ii) the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return

Investment Grade Bond Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund in respect of both subscriptions and redemptions, 4.00 p.m. (New York Time) on a Dealing Day or such other times determined in the sole discretion of the Directors and notified in advance to Shareholders; and

- (iii) the Legg Mason Western Asset High Yield Credit Energy Fund 4.00 p.m. (New York time) on a Dealing Day in respect of subscriptions and at least ten (10) Business Days prior to the relevant Valuation Point in respect of redemptions;

“Dealing Day”

means in respect of:

- (i) the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, every Wednesday that is a Business Day or, in the event that a Wednesday is not a Business Day, the next following Business Day, the first Dealing Day of the Fund being the first Wednesday following the commencement of the Initial Offer Period (and in the event that the first day of the Initial Offer Period falls on a Wednesday, that day shall be a Dealing Day);
- (ii) the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund, each Business Day or such other Business Days determined in the sole discretion of the Directors and notified in advance to Shareholders, provided that in any event there shall be at least one Dealing Day in each calendar quarter;
- (iii) the Legg Mason Western Asset High Yield Credit Energy Fund, every second Wednesday that is a Business Day or, in the event that a Wednesday is not a Business Day, the next following Business Day, the first Dealing Day of the Fund being the first Wednesday following the commencement of the Initial Offer Period (and in the event that the first day of the Initial Offer Period falls on a Wednesday, that day shall be a Dealing Day);

“Depositary”

means The Bank of New York Mellon SA/NV, Dublin Branch;

“Depositary Agreement”

means the amended and restated depositary agreement dated 22 July 2014 between the Company, Legg Mason Investments

	(Ireland) Limited and the Depositary pursuant to which the Depositary was appointed depositary of the Company, as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM;
“Directors”	means the directors of the Company for the time being and any duly constituted committee thereof;
“Distributing Share Class”	means Share Classes which distribute, rather than accumulate, income and capital gains;
“Distributor”	means: <ul style="list-style-type: none"> (i) Legg Mason Investments (Europe) Limited, Legg Mason Asset Management Hong Kong Limited and Legg Mason Asset Management Singapore Pte. Limited which were each appointed as a distributor of the Company pursuant to a Distribution Agreement; (ii) Western Asset Management Company Limited which was appointed as a distributor of the Company pursuant to the Investment Management Agreement;
“Distribution Agreement”	means: (i) the distribution agreement dated 9 October 2013 between the Company and Legg Mason Investments (Europe) Limited as amended by the supplemental distribution agreement dated 22 July 2014 between the Company, Legg Mason Investments (Ireland) Limited and Legg Mason Investments (Europe) Limited; (ii) the distribution agreement dated 13 August 2015 between the Company, Legg Mason Investments (Ireland) Limited and Legg Mason Asset Management Hong Kong Limited; and (iii) the distribution agreement dated 13 August 2015 between the Company, Legg Mason Investments (Ireland) Limited and Legg Mason Asset Management Singapore Pte. Limited, pursuant to which each of the latter acts as a distributor of the relevant Funds as set out in the distribution agreements and each as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM;
“Emerging Market Issuer”	means an issuer located in a country which is either: (i) included in the J.P. Morgan Emerging Markets Bond Index Global or the J.P. Morgan Corporate Emerging Markets Bond Index Broad; or (ii) classified by the World Bank as low or middle income in its annual classification of national incomes;
“Energy Market”	means the global energy market or any subsector of that market such as: exploration; production; servicing and equipment; refining; wholesale; storage; transport or other subsector that the Investment Manager shall in its reasonable opinion determine to be a subsector of the Energy Market;
“€” or “Euro” or “EUR”	means the euro;

“EU”	means the European Union;
“FATCA” or the “Foreign Account Tax Compliance Act”	means sections 1471 to 1474 of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any inter-governmental agreement entered into in connection with the implementation of these sections of the Code;
“FATCA Regulations”	means the regulations promulgated from time to time by the U.S. Department of Treasury and administrative guidance issued by the U.S. Internal Revenue Service with respect to FATCA;
“Financial Account”	means a “Financial Account” as defined in the inter-governmental agreement entered between Ireland and the U.S. in relation to FATCA;
“Financial Institution”	means a “Financial Institution” as defined in FATCA;
“Fitch”	means the rating agency, Fitch Ratings, a majority owned subsidiary of Fimalac S.A.;
“Fund”	means any fund from time to time established by the Company including the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund;
“Hedged Share Class”	means Share Classes which hedge against movements in exchange rates between the currency of the Hedged Share Class on the one hand, and the Base Currency on the other hand and which include “(Hedged)” in their name;
“Initial Offer Period”	means the period determined by the Directors during which Shares of each Class are first offered for subscription and means in the case of the unlaunched Share Classes of the Funds, the period commencing at 9.00 a.m. (Irish time) on 2 February 2021 and concluding at 4:00 p.m. (New York time) on 30 July 2021 or such other date as the Directors may determine. The Company may determine not to close the Initial Offer Period of a Share Class until the Company or the Investment Manager believes that a sufficient number of Shares have been subscribed for to allow for efficient management of the Share Class;
“INR”	means Indian rupees, the lawful currency of the Republic of India;
“Investment Grade”	means in reference to a security that the security has a rating of BBB- or higher from either S&P or Fitch or Baa3 or higher from Moody’s or the equivalent or higher from another NRSRO or that is not rated but is considered by the Investment

	Manager or the Sub-Investment Manager to be of similar quality;
“Investment Manager”	means Western Asset Management Company Limited or its successor;
“Investment Management Agreement”	means the amended and restated delegate investment management agreement dated 22 July 2014 between the Company, Legg Mason Investments (Ireland) Limited and Western Asset Management Company Limited, as amended by addenda dated 23 December 2014, 12 March 2015 and 20 November 2017, pursuant to which the latter was appointed as investment manager and distributor of the Funds, as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM;
“Investor Money Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;
“Investor Monies”	means the subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders;
“Irish Resident”	means, unless otherwise determined by the Directors, any person Resident in Ireland or Ordinarily Resident in Ireland, other than an Exempt Irish Resident as defined in the section of this Prospectus entitled “Taxation”;
“IRS”	means the U.S. Internal Revenue Service;
“Knowledgeable Investor”	means an investor who has satisfied one of the following conditions: <ul style="list-style-type: none"> (a) the investor is the Investment Manager, the Sub-Investment Manager or an entity within the Investment Manager’s or Sub-Investment Manager’s group; (b) the investor is a company appointed to provide investment management or advisory services to the Company; (c) the investor is a Director or is a director of the Investment Manager, the Sub-Investment Manager or other company appointed to provide investment management or advisory services to the Company; or (d) the investor is an employee of the Investment Manager, the Sub-Investment Manager or other company appointed to provide investment management or advisory services to the Company and is directly involved in the investment activities of the Company or is a senior employee of the company and

has experience in the provision of investment management services; and

in the case of investment by an investor referred to at (a), (b), (c) and (d) above, who certifies in writing to the Company that:

- (i) he meets the minimum criteria listed above;
- (ii) he is aware of the risk involved in the proposed investment; and
- (iii) he is aware that inherent in such investment is the potential to lose all of the sum invested;

and provided further that in the case of an investor who is an employee, the Company is satisfied that the investor satisfies the conditions at (a) to (d) above;

“Level 2 Regulation”	means the European Commission Delegated Regulation of 19 December 2012 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
“LM Investor”	means an investor who has an agreement in place with the Investment Manager covering the charging structure relevant to the investor’s investment in the LM Share Class, at the time the relevant subscription order is received and which remains in place for the duration of the investor’s investment;
“MiFID II”	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended from time to time;
“Moody’s”	means Moody’s Investors’ Services, Inc., the rating agency;
“Net Asset Value” or “NAV”	means the value of the net assets of the Company or of a Fund or Class, as appropriate, calculated as described herein;
“Net Asset Value per Share”	means in respect of any Class of Shares the Net Asset Value divided by the number of Shares in issue in such Class;
“Non-U.S. Person”	means any of the following: (a) a natural person who is not a resident of the U.S.; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-U.S. persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of

facilitating investment by persons who do not qualify as Non-U.S. persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being Non-U.S. persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the U.S.;

- “NRSRO” means a Nationally Recognised Statistical Rating Organisation including, but not limited to, Moody’s, S&P and Fitch;
- “Original Lender” means an entity which, itself or through related entities, directly or indirectly, concluded the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised;
- “Originator” means an entity which: (a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or (b) purchases a third party’s exposures on its own account and then securitises them;
- “Prospectus” means this prospectus, as may be amended or supplemented from time to time;
- “Qualifying Investor” means an investor who:
- (i) (1) A. is a professional client within the meaning of Annex II of MiFID II; or
 - B. receives an appraisal from an EU credit institution, a MiFID II firm or an undertaking for collective investment in transferable securities (“UCITS”) management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the Company; or
 - C. certifies that they are an informed investor by providing the following:
 - (i) confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
 - (ii) confirmation (in writing) that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or

disposal of property of the same kind as the property of the scheme;

and

- (2) who certifies in writing to the Company that they meet the minimum criteria and that they are aware of the risk involved in the proposed investment and the fact that inherent in such investments is the potential to lose all of the sum invested;

or

- (ii) a “Knowledgeable Investor” with an exemption from the minimum subscription requirement and qualifying investor criteria, as set out in the Central Bank’s AIF Rulebook, or such higher amount as may be specified in this Prospectus and in respect of whom certain conditions shall be satisfied;

“Qualifying Investor AIF”	means an alternative investment fund authorised by the Central Bank which may be marketed to Qualifying Investors in accordance with the Qualifying Investor AIF chapter of the AIF Rulebook;
“Revenue Commissioners”	means the Office of the Revenue Commissioners of Ireland;
“SEBI”	means the Securities and Exchange Board of India;
“Securities Financing Transactions Regulation”	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;
“Securities Financing Transaction” or “SFT”	means any of the following: a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy- sell back transaction or sell-buy back transaction and a margin lending transaction;
“Securitisation”	means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranching, having all of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (c) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013;
“Securitisation Position”	means an exposure to a Securitisation;
“Securitisation Regulation”	means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised

	securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as such may be amended, supplement or replaced from time to time;
“SEK”	means the Swedish Krona, the lawful currency of Sweden;
“SGD”	means the Singapore Dollar, the lawful currency of Singapore;
“Share” or “Shares”	means a share of any Class in a Fund, issued by the Company in respect of a Fund;
“Shareholder”	means a holder of Shares;
“Sponsor”	means a credit institution, whether located in the EU or not, as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013, or an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU other than an Originator, that: (a) establishes and manages an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities, or (b) establishes an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities and delegates the day-to-day active portfolio management involved in that securitisation to an entity authorised to perform such activity in accordance with Directive 2009/65/EC, Directive 2011/61/EU or Directive 2014/65/EU;
“S&P”	means Standard & Poor’s, the rating agency;
“Sub-Investment Manager”	means (i) in the case of Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, Legg Mason Western Asset Senior Loans Fund, Legg Mason Western Asset High Yield Credit Energy Fund and Western Asset European Loan Fund, Western Asset Management Company, LLC or its successor; (ii) in the case of Legg Mason Western Asset India Bond Fund, Western Asset Management Company and Western Asset Management Company Pte. Ltd or their successors; (iii) in the case of Legg Mason Western Asset Global Total Return Investment Grade Bond Fund and Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund, Western Asset Management Company, LLC, Western Asset Management Company Pte. Ltd, Western Asset Management Company Distribuidora De Titulos E Valores Mobiliários Limitada, Western Asset Management Company Ltd and Western Asset Management Company Pty Ltd or their successors;
“Sub-Investment Management Agreement”	means (i) the sub-investment management agreement dated 30 March 2020 between Western Asset Management Company Limited, Legg Mason Investments (Ireland) Limited and Western Asset Management Company LLC; (ii) the sub-investment management agreement dated 30 March 2020 between Western Asset Management Company Limited,

Legg Mason Investments (Ireland) Limited and Legg Mason Asset Management Singapore Pte, Ltd (iii) the sub-investment management agreement dated 30 March 2020 between Western Asset Management Company Limited, Legg Mason Investments (Ireland) Limited and Western Asset Management Company Distribuidora de Titulos e Valores Mobiliarios Limitada; (iv) the sub-investment management agreement dated 30 March 2020 between Western Asset Management Company Limited, Legg Mason Investments (Ireland) Limited and Western Asset Management Company Ltd; and (v) the sub-investment management agreement dated 30 March 2020 between Western Asset Management Company Limited, Legg Mason Investments (Ireland) Limited and Western Asset Management Company Pty Ltd, each as transferred to the AIFM by operation of law pursuant to the merger of Legg Mason Investments (Ireland) Limited into the AIFM;

- “Subscriber Shares” means the initial share capital of the Company subscribed for at no par value;
- “Supplemental Prospectus” means any supplemental prospectus issued by the Company from time to time;
- “Umbrella Cash Account” means any single umbrella cash account in the name of the Company;
- “U.S.” or “United States” means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
- “U.S.\$” or “USD” or “U.S. Dollar” means U.S. Dollars, the lawful currency of the U.S.;
- “U.S. Person” means a “U.S. Person”, as defined by Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”), including:
- (i) any natural person resident in the United States;
 - (ii) any partnership organised or incorporated under the laws of the United States;
 - (iii) any estate of which any executor or administrator is a U.S. Person;
 - (iv) any trust of which any trustee is a U.S. Person;
 - (v) any agency or branch of a non-U.S. entity located in the United States;
 - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
 - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary

organised, incorporated, or (if an individual) resident in the United States; and

(viii) any partnership or corporation if:

- (a) organised or incorporated under the laws of any non-U.S. jurisdiction; and
- (b) formed by a U.S. Person principally for the purposes of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. Person" shall not include:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if:
 - (a) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate, and
 - (b) the estate is governed by non-United States law;
- (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) any agency or branch of a U.S. Person located outside the United States if:
 - (a) the agency or branch operates for valid business reasons, and
 - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- (vi) certain international organisations (and their agencies, affiliates and pension plans) as specified in Rule

902(k)(2)(vi) of Regulation S under the Securities Act;
or

- (vii) an entity excluded or exempted from the definition of “U.S. Person” in reliance on or with reference to interpretations or positions of the U.S. Securities and Exchange Commission or its staff;

“U.S. Reportable Account”

means a Financial Account held by a U.S. Reportable Person;

“U.S. Reportable Person”

pursuant to FATCA, means (i) a U.S. Taxpayer who is not an Excluded U.S. Taxpayer or (ii) a U.S. Controlled Foreign Entity;

For the purposes of this definition, the term “U.S. Taxpayer” means (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any estate, the income of which is subject to U.S. income taxation regardless of source; and (iv) any trust over whose administration a court within the U.S. has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries.

An investor who is considered a “non-U.S. Person” under Regulation S and a “Non-United States Person” under CFTC Rule 4.7 may nevertheless be considered a “U.S. Taxpayer” depending on the investor’s particular circumstances.

For the purposes of this definition, “Excluded U.S. Taxpayer” means a U.S. Taxpayer who is also (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the Code, as a corporation described in (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, any U.S. territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organisation exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the Code; (vi) any bank as defined in Section 581 of the Code; (vii) any real estate investment trust as defined in Section 856 of the Code; (viii) any regulated investment company as defined in Section 851 of the Code or any entity registered with the Securities Exchange Commission under the 1940 Act; (ix) any common trust fund as defined in Section 584(a) of the Code; (x) any trust that is exempt from tax under Section 664(c) of the Code; (xi) a dealer in securities, commodities or derivative financial instruments (including notional principal contracts, futures, forwards and options) that is registered as such under the laws of the United States or any state thereof; or (xii) a broker as defined in Section 6045(c) of the Code.

For the purposes of this definition, “U.S. Controlled Foreign Entity” means any entity that is not a U.S. Taxpayer and that has one or more “Controlling U.S. Persons” as owners of equity in such entity. For this purpose, a Controlling U.S. Person means an individual who is either a citizen or resident alien of the United States (as defined for U.S. federal income tax purposes) who exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or class of beneficiaries and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions;

“Valuation Day”

means each Dealing Day; and

“Valuation Point”

means 4.00 pm in New York (Eastern Time) in the U.S. on a Valuation Day.

INTRODUCTION

The Company

The Company is an umbrella fund with segregated liability between funds established as an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act. It was incorporated on 30 April 2013 under registration number 526899. It was authorised by the Central Bank on 7 May 2013. Its object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment of its funds with the aim of spreading investment risk and affording the Shareholders the benefit of the results of the management of its funds.

The Company has been authorised by the Central Bank as a Qualifying Investor AIF and is managed by the AIFM acting as an external AIFM pursuant to Chapters 2 and 3, respectively, of the AIF Rulebook. The Company may market the Shares to professional investors within the meaning of AIFMD in another EU Member State pursuant to Article 32 of AIFMD. The AIFM is responsible for ensuring compliance with AIFMD, including, without limitation, meeting with various organisational requirements and conduct of business rules, adopting and implementing a programme of activities and various policies and procedures (which address areas such as risk management, liquidity management and remuneration) and complying with ongoing capital, reporting and transparency obligations.

The Company is organised in the form of an umbrella fund. The Company has obtained the approval of the Central Bank for the establishment of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund. With the prior approval of the Central Bank the Company from time to time may create additional Funds, the investment policies and objectives for which may be outlined in a Supplemental Prospectus, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplemental Prospectus shall form part of, and should be read in conjunction with, this Prospectus.

The Articles of Association provide that the Company may offer separate classes of Shares, each representing interests in a Fund comprising a distinct portfolio of investments. The Funds currently offer the Share Classes set out in Schedule 1. The creation of additional Classes of Shares representing interests in a Fund may be effected in accordance with the requirements of the Central Bank. Additional Classes of Shares may be established which may be subject to higher, lower or no fees. Information in relation to the fees applicable to other Classes of Shares is available on request.

INVESTMENT OBJECTIVE AND POLICIES

Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation.

The Fund will invest at least 65% of its Net Asset Value in U.S. Dollar denominated listed and unlisted non-agency mortgage-backed securities (i.e. mortgaged backed securities which are issued by non-governmental issuers such as trusts and other special purpose entities) and collateralised mortgage obligations. The mortgage-backed securities in which the Fund may invest may contain embedded derivatives. The Fund may however invest up to 25% of its Net Asset Value in non-U.S. Dollar

denominated listed and unlisted non-agency mortgage-backed securities and collateralised mortgage obligations and in debt securities.

For the purposes of the above, ‘debt securities’ include, without limitation, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, fixed rate bonds and notes, zero coupon and discount bonds, debentures, asset-backed securities, certificates of deposit, bankers’ acceptances, commercial paper and other short-term securities.

The Fund invests in debt securities that are rated Investment Grade, debt securities rated below Investment Grade and unrated debt securities. In purchasing debt securities for the Fund, the Investment Manager/the Sub-Investment Manager may take full advantage of the entire range of maturities, and may adjust the average duration of the investments held by the Fund from time to time.

The Fund may also invest in financial derivative instruments such as forward contracts, swaps, options and futures for investment and efficient portfolio management purposes. Please refer to the section of this Prospectus entitled “Further Information on the Funds’ Investments and Investment Techniques” for further information on the other types of securities and financial instruments in which the Fund may invest.

The Base Currency of the Fund is U.S. Dollar and the Fund will attempt to hedge all non-U.S. Dollar positions held by the Fund to the U.S. Dollar.

Legg Mason Western Asset Senior Loans Fund

The Fund’s investment objective is to seek to maximise total return consisting of income and capital appreciation while managing overall portfolio risk.

The Fund will invest at least 75% of its Net Asset Value in U.S. Dollar denominated loans and loan participations (i.e. participation interests in other lenders’ portions of loans). Typically the Fund’s exposure to below Investment Grade debt securities will be at least 80% of the Net Asset Value of the Fund.

The Fund may also invest up to 25% of its Net Asset Value in U.S. Dollar denominated listed and unlisted debt securities that may be rated above or below Investment Grade or are of a comparable quality as determined by the Investment Manager or the Sub-Investment Manager.

In addition, incidental to and in connection with its investment in loans, the Fund may acquire, and subsequently hold, warrants and other similar equity interests.

For the purposes of the above, ‘debt securities’ include, without limitation, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, fixed rate bonds and notes, zero coupon and discount bonds, debentures, asset-backed securities, certificates of deposit, bankers’ acceptances, commercial paper and other short-term securities.

In purchasing debt securities for the Fund, the Investment Manager/Sub-Investment Manager may take full advantage of the entire range of maturities, and may adjust the average duration of the investments held by the Fund from time to time.

The Fund may also invest in financial derivative instruments such as forward contracts, swaps, options and futures for investment and efficient portfolio management purposes. Please refer to the section of this Prospectus entitled “Further Information on the Funds’ Investments and Investment Techniques”

for further information on the other types of securities and financial instruments in which the Fund may invest.

The Base Currency of the Fund is the U.S. Dollar.

Legg Mason Western Asset India Bond Fund

The Fund's investment objective is to seek to maximise total return, consisting of current income and medium- to long-term capital appreciation, consistent with prudent investment management.

Under normal market conditions, the Fund intends to invest at least 80% of its assets in sovereign debt securities issued by the Republic of India and in fixed income securities of other issuers (including corporate issuers) domiciled in India and supranational entities that issue fixed income securities denominated in INR. The Fund may invest in such securities directly or indirectly through investments in other collective investment schemes and other investment companies (which may be regulated or unregulated and may include funds advised by the Investment Manager or the Sub-Investment Manager or one or more of their respective affiliates). The Fund will limit its net exposure to collective investment schemes to 10% of its Net Asset Value. The Fund may invest in other collective investment schemes provided that the investments of such schemes comply with the minimum ratings requirements applicable to debt securities and to asset backed and similar securities. The Fund may also invest in debt securities issued by Emerging Market Issuers and may hold cash or invest in short-term debt instruments that are cash equivalents.

For the purposes of the above, 'debt securities' include, without limitation, bonds, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, promissory notes, fixed rate bonds and notes, convertible and non-convertible notes and debentures, preferred stocks, commercial paper, zero coupon and discount bonds, debentures, asset-backed securities, mortgage-backed securities, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, reverse repurchase agreements, dollar rolls, warrants, Rule 144A securities, bank loans and other short-term securities.

All debt securities purchased by the Fund will be, at the time of purchase, rated at least B3 or B- by an NRSRO or, if unrated, of a comparable quality as determined by the Investment Manager.

Debt securities that qualify as asset backed securities, credit linked notes and similar assets (i.e. investments whose yield or repayment is linked to credit risks or that are used to transfer the credit risk of a third party) may only be purchased by the Fund if rated Investment Grade or, if unrated, deemed by the Investment Manager to be of comparable quality. In the event that more than one NRSRO rates a security and the ratings are not equivalent, the second highest rating will apply. In the event that a security is downgraded after its purchase by the Fund to below the minimum required rating, the security will be sold within six months of the downgrade.

The Fund may invest in Investment Grade debt securities, debt securities rated below Investment Grade and unrated debt securities. In the event that a security is downgraded after its purchase by the Fund, the Sub-Investment Manager may continue to hold such security on behalf of the Fund if the Sub-Investment Manager determines that it is in the best interests of the Fund and continues to be consistent with the Fund's investment objective.

In purchasing debt securities for the Fund, Sub-the Investment Manager may take full advantage of the entire range of maturities and durations, and may adjust the average maturity or duration of the investments held by the Fund from time to time, depending on its assessment of the relative yields of securities of different maturities and durations and its expectations of future changes in interest rates. Unless otherwise permitted, the Fund will use a "Registered Foreign Portfolio Investor" (RFPI) license authorised by the Securities and Exchange Board of India to invest in Indian domestic debt securities.

The Fund may also invest in deliverable and non-deliverable financial derivative instruments including, but not limited to, forward foreign exchange contracts, swaps, options, futures, forwards and warrants for investment and efficient portfolio management purposes. Please refer to the section of this Prospectus entitled “Further Information on the Funds’ Investments and Investment Techniques” for further information on the other types of securities and financial instruments in which the Fund may invest.

The Sub-Investment Manager employs an active currency strategy. Please refer to the section of this Prospectus entitled “Currency Transactions” for further information in this regard.

The Base Currency of the Fund is the U.S. Dollar. The investments made by the Fund may be denominated in U.S. Dollar or other currencies; however, under normal market conditions, no more than 20% of the Net Asset Value of the Fund, measured at the time of purchase, may be exposed to securities denominated in currencies other than INR.

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

The Fund’s investment objective is to seek to maximise total return, consisting of income and capital appreciation.

The Fund will invest at least two-thirds of its Net Asset Value in the global fixed income markets. The Fund will invest primarily in debt securities that are denominated in U.S. Dollars, Euro, Japanese Yen, Pound Sterling and variety of other currencies and are listed or traded on regulated markets globally.

The Fund seeks to achieve its investment objective by investing in securities issued or guaranteed by national governments, their agencies, instrumentalities and political sub-divisions (including STRIPS and inflation index-linked securities); securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities such as freely transferable promissory notes, debentures, adjustable rate bonds, floating rate bonds, planned amortisation bonds, targeted amortisation bonds, principal only bonds, Eurobonds, Eurodollar bonds and Yankee dollar instruments, payment-in-kind bonds, zero coupon bonds, non-convertible notes, commercial paper, certificates of deposit, and bankers’ acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; mortgage-backed and asset-backed securities (including agency, non-agency and to be announced (“TBA”) securities) that are structured as debt securities; and repurchase agreements with debt securities as the underlying instruments (for investment and efficient portfolio management purposes and subject to the requirements of the Central Bank). The Fund may invest in such securities directly or indirectly through investments in other collective investment schemes and other investment companies (which may be regulated or unregulated and may include funds advised by the Investment Manager or the Sub-Investment Manager or one or more of their respective affiliates). The Fund will limit its net exposure to collective investment schemes to 10% of its Net Asset Value and will only invest in collective investment schemes which comply in making their investments with the minimum rating requirements applicable to debt securities and to asset-backed and similar securities, as set out below.

For the purposes of the above, ‘debt securities’ include, without limitation, bonds, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, promissory notes, fixed rate bonds and notes, convertible and non-convertible notes and debentures, preferred stocks, commercial paper, zero coupon and discount bonds, debentures, asset-backed securities, mortgage-backed securities, certificates of deposit, time deposits, bankers’ acceptances, repurchase agreements, reverse repurchase agreements, dollar rolls, warrants, Rule 144A securities, bank loans and other short-term securities.

At the time of purchase, the Investment Manager or the Sub-Investment Manager (as appropriate) will

only purchase debt securities not qualifying as asset-backed securities, credit-linked notes and similar assets (i.e. investments whose yield or repayment is linked to credit risks or that are used to transfer the credit risk of a third party) (“structured products”) which have a long term debt rating of Investment Grade by the highest of any NRSRO and no lower than B- by the second highest NRSRO. The Investment Manager or the Sub-Investment Manager will only purchase structured products rated Investment Grade by the second highest NRSRO. In the event that a non-structured product debt security is downgraded below B- by the second highest NRSRO or a structured product security is downgraded below Investment Grade by the second highest NRSRO, the security will be sold within 6 months of the downgrade. The Fund will not invest in securities that the Investment Manager or the Sub-Investment Manager considers to be illiquid at the time of purchase and will limit its net exposure to securities that the Investment Manager or the Sub-Investment Manager considers to be illiquid at the time of purchase to 10% of its Net Asset Value.

In purchasing debt securities for the Fund, the Investment Manager and/or the Sub-Investment Manager may take full advantage of the entire range of maturities and durations, and may adjust the average maturity or duration of the investments held by the Fund from time to time, depending on their assessment of the relative yields of securities of different maturities and durations and their expectations of future changes in interest rates. The average weighted duration of the Fund’s portfolio holdings is expected to range between -3 and +8 years depending on the Investment Manager’s and/or the Sub-Investment Manager’s forecast for interest rates and yields.

The Fund may invest in certain types of financial derivative instruments whether for investment purposes or for the purposes of efficient portfolio management, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Please refer to the section of the Prospectus entitled “Further Information on the Funds’ Investments and Investment Techniques” for further information on the other types of securities and financial instruments in which the Fund may invest.

The Base Currency of the Fund is the U.S. Dollar.

Legg Mason Western Asset High Yield Credit Energy Fund

The Fund’s investment objective is to seek to maximise total return consisting of income and capital appreciation while managing overall portfolio risk.

The Fund will invest at least 80% of its Net Asset Value in debt securities issued by Energy Market participants that are rated, at the time of purchase as below Investment Grade by an NRSRO. For purposes of compliance with any of the applicable foregoing tests, in the event a security is rated by Moody’s, S&P, and Fitch, then the middle rating of the three NRSROs will be used; in the event the security is only rated by two of the foregoing NRSROs, then the lower rating of the two NRSROs will be used; and in the event the security is only rated by one of the foregoing NRSROs, then the rating by such NRSRO shall be used.

The Fund may also invest up to 20% of its Net Asset Value in U.S. Dollar denominated listed and unlisted debt securities of Energy Market participants that may be rated Investment Grade at the time of purchase or are of a comparable quality as determined by the Investment Manager. The Fund may invest in unrated debt securities. The Fund will invest principally in debt securities issued by Energy Market participants that are listed or traded on a regulated market globally.

The debt securities in which the Fund may invest include, without limitation, bonds, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies, securities issued by corporate or other types of entities, promissory notes, fixed rate bonds and notes, convertible and non-convertible notes and debentures, preferred stocks, commercial paper, zero coupon and discount bonds, debentures, asset-backed securities, mortgage-backed securities, certificates of deposit,

time deposits, bankers' acceptances, repurchase agreements, reverse repurchase agreements, dollar rolls, warrants, Rule 144A securities, commercial paper issued pursuant to section 4(2) of the Securities Act, other short-term securities and private placements.

In purchasing debt securities for the Fund, the Investment Manager and/or the Sub-Investment Manager may take full advantage of the entire range of maturities and durations, and may adjust the average maturity or duration of the investments held by the Fund from time to time, depending on its assessment of the relative yields of securities of different maturities and durations and its expectations of future changes in interest rates.

The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.

The Fund may also invest in financial derivative instruments such as forward contracts, swaps, options and futures for investment and efficient portfolio management purposes. Please refer to the section of this Prospectus entitled "Further Information on the Funds' Investments and Investment Techniques" for further information on the other types of securities and financial instruments in which the Fund may invest.

The Fund is not a complete investment programme, and there can be no assurances it will achieve its objective. Shareholders should be aware that apart from these guidelines and restrictions, the Fund is not limited in its investment and trading activities.

The Base Currency of the Fund is the U.S. Dollar.

Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund

The Fund's investment objective is to seek to maximise total return, consisting of income and capital appreciation.

The Fund will invest at least two-thirds of its Net Asset Value in the global fixed income markets. The Fund will invest primarily in debt securities that are denominated in U.S. Dollars, Euro, Japanese Yen, Pound Sterling and variety of other currencies and are listed or traded on regulated markets globally.

The Fund seeks to achieve its investment objective by investing in securities issued or guaranteed by national governments, their agencies, instrumentalities and political sub-divisions (including STRIPS and inflation index-linked securities); securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities such as freely transferable promissory notes, debentures, adjustable rate bonds, floating rate bonds, planned amortisation bonds, targeted amortisation bonds, principal only bonds, Eurobonds, Eurodollar bonds and Yankee dollar instruments, payment-in-kind bonds, zero coupon bonds, non-convertible notes, commercial paper, certificates of deposit, and bankers' acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; mortgage-backed and asset backed securities (including agency, non-agency and to be announced ("TBA") securities) that are structured as debt securities; and repurchase agreements with debt securities as the underlying instruments (for investment and efficient portfolio management purposes and subject to the requirements of the Central Bank). The Fund may invest in such securities directly or indirectly through investments in other collective investment schemes and other investment companies (which may be regulated or unregulated and may include funds advised by the Investment Manager or the Sub-Investment Manager or one or more of their respective affiliates).

For the purposes of the above, 'debt securities' include, without limitation, bonds, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, promissory notes, fixed rate bonds and notes, convertible and non-convertible notes and debentures, preferred stocks, commercial paper, zero coupon and

discount bonds, debentures, asset-backed securities, mortgage-backed securities, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, reverse repurchase agreements, dollar rolls, warrants, Rule 144A securities, bank loans and other short-term securities.

The Fund will not invest in securities that the Investment Manager or the Sub-Investment Manager considers to be illiquid at the time of purchase and will limit its net exposure to securities that the Investment Manager or the Sub-Investment Manager considers to be illiquid to 10% of its Net Asset Value.

In purchasing debt securities for the Fund, the Investment Manager and/or the Sub-Investment Manager may take full advantage of the entire range of maturities and durations, and may adjust the average maturity or duration of the investments held by the Fund from time to time, depending on their assessment of the relative yields of securities of different maturities and durations and their expectations of future changes in interest rates. The average weighted duration of the Fund's portfolio holdings is expected to range between -3 and +10 years depending on the Investment Manager's and/or the Sub-Investment Manager's forecast for interest rates and yields.

The Fund may invest in certain types of financial derivative instruments whether for investment purposes or for the purposes of efficient portfolio management, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Please refer to the section of the Prospectus entitled "Further Information on the Funds' Investments and Investment Techniques" for further information on the other types of securities and financial instruments in which the Fund may invest.

The Base Currency of the Fund is the U.S. Dollar.

Western Asset European Loan Fund

The Fund's investment objective is to seek to maximise total return consisting of income and capital appreciation while managing overall portfolio risk.

The Fund will invest at least 70% of its Net Asset Value in Euro denominated loans and loan participations (i.e. participation interests in other lenders' portions of loans). The Euro denominated loans and loan participations shall be liquid and if unsecured, provide for interest rate adjustments at least every 397 days. Typically the Fund's exposure to below Investment Grade debt securities or other instruments (including but not limited to loans and loan participations) will be at least 80 % of the Net Asset Value of the Fund.

The Fund may also invest up to 30% of its Net Asset Value in Euro denominated listed and unlisted debt securities that may be rated above or below Investment Grade or are of a comparable quality as determined by the Investment Manager or the Sub-Investment Manager. The Fund may also invest up to 20% of its Net Asset Value in non-Euro denominated debt securities or other instruments (including but not limited to loans and loan participations). The Fund will not invest in debt securities or other instruments (including but not limited to loans and loan participations) with rating below B- by S&P, B3 by Moody's, or which exhibit similar credit quality in the view of the Investment Manager or the Sub-Investment Manager

In addition, incidental to and in connection with its investment in loans, the Fund may acquire, and subsequently hold, warrants and other similar equity interests.

For the purposes of the above, 'debt securities' include, without limitation, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including agency or instrumentality thereof), securities issued by supranational bodies), securities issued by corporate or other types of entities, fixed rate bonds and notes, zero coupon and discount

bonds, debentures, asset-backed securities, certificates of deposit, bankers' acceptances, commercial paper and other short-term securities.

In purchasing debt securities for the Fund, the Investment Manager/Sub-Investment Manager may take full advantage of the entire range of maturities, and may adjust the average duration of the investments held by the Fund from time to time.

The Fund may also invest in financial derivative instruments such as forward contracts, swaps, options and futures for investment and efficient portfolio management purposes. Please refer to the section of this Prospectus entitled "Further Information on the Funds' Investments and Investment Techniques" for further information on the other types of securities and financial instruments in which the Fund may invest.

The Base Currency of the Fund is the Euro.

FURTHER INFORMATION ON THE FUNDS' INVESTMENTS AND INVESTMENT TECHNIQUES

In addition to, and in certain instances as further explanation of, the investment practices and techniques listed above, unless otherwise specified below, the Funds may engage in the following activities:

Preferred Shares

The Funds may purchase preferred shares. Preferred shares may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends in a liquidation of assets but rank after debt securities. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred shares are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities.

Convertible Securities

The Funds may invest in convertible securities, which are bonds, debentures, notes, preferred stock or other securities, which may be converted into or exchanged for a prescribed amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities ordinarily provide a stream of income, which generate higher yields than those of common stocks of the same or similar issuers but lower than the yield on non-convertible debt. Convertible securities are usually subordinate or are comparable to non-convertible securities but rank senior to common stock or shares in a company's capital structure. The value of a convertible security is a function of (1) its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege and (2) its worth, at market value, if converted into the underlying common stock. Convertible securities are typically issued by smaller capitalised companies whose stock prices may be volatile. The price of a convertible security often reflects such variations in the price of the underlying common stock in a way that non-convertible debt does not. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument.

Senior Securities

Senior securities are those belonging to an issuance or class of debt securities that is expected by the Investment Manager/Sub-Investment Manager to rank at least senior unsecured corporate debt securities of the relevant issuer. The issue of seniority, however, may be contentious between holders

of various securities in the event of claims against or the bankruptcy of an issuer, and there can be no guarantee that securities believed by the Investment Manager/Sub-Investment Manager to be senior at the time of investment will ultimately be upheld as senior. Moreover, unsecured senior securities, even if upheld as senior to other classes of debt securities, may be subordinate to general creditors and secured debt of an issuer pursuant to applicable law.

Rule 144A Securities

Rule 144A securities are securities that are not registered under the Securities Act, but that can be sold to certain institutional buyers in accordance with Rule 144A under the Securities Act.

Loan Participations

Certain Funds may invest in fixed and floating rate loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions (“Lender”). Such investments are expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised (“Participations”). They are subject to the risk of default by the underlying borrower and in certain circumstances to the credit risk of the Lender if the Participation only provides for the Fund to have a contractual relationship with the Lender, not the borrower. In connection with purchasing Participations, the Fund may have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan nor any rights of set-off against the borrower. Thus, the Fund may not directly benefit from any collateral supporting the loan in which they have purchased Participations. The Fund will purchase such Participations only through recognised, regulated dealers.

Variable and Floating Rate Securities

The Funds may invest in variable and floating rate debt securities. Variable and floating rate debt securities provide for a periodic adjustment in the interest rate paid on the obligations. The terms of such obligations must provide that interest rates are adjusted periodically based upon an interest rate adjustment index as provided in the respective obligations. The adjustment intervals may be regular, and range from daily up to annually, or may be event based, such as based on a change in the prime rate.

High Yield Securities

High yield securities are medium or lower rated securities and unrated securities of comparable quality, sometimes referred to as “junk bonds”. Generally, medium or lower rated securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities but also: (i) will likely have some quality and protective characteristics that, in the judgment of the rating organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions; and (ii) are predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, medium and lower rated securities and comparable unrated securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because medium and lower rated securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Manager/Sub-Investment Manager in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer’s financial resources, its sensitivity to economic conditions and trends, the operating history of and the community support for the facility financed by the issue, the ability of the issuer’s management and regulatory matters. In addition, the market value of securities in lower rated categories is more volatile than that of higher quality securities, and the markets in which medium and lower rated or unrated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more

difficult for a Fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its Net Asset Value. Moreover, the lack of a liquid trading market may restrict the availability of securities for a Fund to purchase and may also have the effect of limiting the ability of a Fund to sell securities at their fair value either to meet redemption requests or to respond to changes in the economy or the financial markets.

Lower rated debt obligations also present risks based on payment expectations. If an issuer calls the obligation for redemption, a Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by a Fund may decline proportionately more than a portfolio consisting of higher rated securities. If a Fund experiences unexpected net redemptions, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by the Fund and increasing the exposure of the Fund to the risks of lower rated securities.

Non-Publicly Traded Securities

Non-publicly traded securities are transferable securities that are neither listed nor traded on an exchange, including privately placed securities. A Fund's investments in such illiquid securities are subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that the Fund deems representative of its value, the value of the Fund's net assets could be adversely affected.

Money Market Instruments

A portion of the Funds' assets may be held in cash and/or invested in money market instruments ("Money Market Instruments"). The Money Market Instruments in which the Funds may invest include: securities issued or guaranteed by the U.S. government, its agencies or instrumentalities ("U.S. Government Securities"); obligations of other governments or their agencies or instrumentalities; bank obligations, such as certificates of deposit, time deposits and bankers' acceptances; corporate obligations, including corporate debt obligations and commercial paper; and repurchase agreements. In addition, under unusual market, economic, political or currency conditions, the Funds may assume a temporary defensive position and without limitation hold cash and Money Market Instruments. The Money Market Instruments in which the Funds will invest from time to time may be denominated in U.S. Dollars or in currencies other than U.S. Dollars.

Investments in Securitisations

A Fund shall not invest in a Securitisation Position unless, where required by the Securitisation Regulation, the Originator, Sponsor or Original Lender retains on an ongoing basis a material net economic interest of not less than 5% in accordance with the Securitisation Regulation. Where a Fund is exposed to a Securitisation that no longer meets the requirements provided for in the Securitisation Regulation, the AIFM or relevant Investment Manager shall, in the best interest of the investors in the relevant Fund, act and take corrective action, if appropriate.

Borrowing

The Funds reserve the right to borrow through margin accounts as described above, borrow through a line of credit with a financial institution or make other lending arrangements on a secured or unsecured basis. These borrowing techniques may enhance a Fund's returns if its investments perform well but may magnify the Fund's losses if its investments do not perform well. In addition, the Funds may borrow for purposes of meeting redemption requests and for settlement of securities transactions. (See "Special Considerations and Risks" below).

Collateral

The Funds may (but are not obliged to) use a wide variety of exchange-traded and over-the-counter derivative instruments, including options, futures and swap contracts for investment purposes, hedging purposes and for efficient portfolio management. As part of such derivative transactions, assets of the Funds may be passed outside of the Company's custodial network to counterparties to the transactions and will be held by the counterparty as collateral in order to secure the Funds' obligations to a counterparty. In accordance with the standard industry practice for such derivative instruments, such collateral may or may not be segregated from the counterparty's own assets. Where the net counterparty risk exposure to a single counterparty exceeds 40% of the Net Asset Value of the Fund, the counterparty to such derivative instruments or its guarantor (or in the case of "repo" transactions the parent company to any such counterparty) will be required to have a minimum credit rating of A1 (as rated by S&P) or P1 (as rated by Moody's) at the time of entering into such instruments and the counterparty must also have shareholders' funds in excess of €200 million (or its equivalent in another currency). The level of exposure to each counterparty may vary from time to time, but will not normally exceed 200% of a Fund's Net Asset Value and will be monitored by the Investment Manager/Sub-Investment Manager and the Depositary on an ongoing basis.

The policy that will be applied to collateral arising from repurchase/reverse repurchase agreements and securities lending will comply with the following requirements:

1.
 - (i) liquidity: collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
 - (ii) valuation: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
 - (iii) issuer credit quality: collateral received should be of high quality.
 - (iv) correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
 - (v) diversification (asset concentration): collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
 - (vi) immediately available: collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
2. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
3. Non-cash collateral cannot be sold, pledged or re-invested.
4. Cash collateral may not be invested other than in the following:
 - (i) deposits with relevant institutions;

- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

5. Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Depository Receipts

Depository receipts include sponsored and unsponsored depository receipts that are or become available, including American Depository Receipts (“ADRs”), and Global Depository Receipts (“GDRs”) and other depository receipts. Depository receipts are typically issued by a financial institution (“depository”) and evidence ownership interests in a security or a pool of securities (“underlying securities”) that have been deposited with the depository. The depository for ADRs is typically a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. ADRs are publicly traded on exchanges or over-the-counter in the United States and are issued through “sponsored” or “unsponsored” arrangements. In a sponsored ADR arrangement, the non-U.S. issuer assumes the obligation to pay some or all of the depository’s transaction fees, whereas under an unsponsored arrangement, the non-U.S. issuer assumes no obligation and the depository’s transaction fees are paid by the ADR holders. In addition, less information is available in the United States about an unsponsored ADR than about a sponsored ADR, and the financial information about a company may not be as reliable for an unsponsored ADR as it is for a sponsored ADR. In the case of GDRs, the depository can be a non-U.S. or a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. GDRs allow companies in Europe, Asia, the United States and Latin America to offer shares in many markets around the world, thus allowing them to raise capital in these markets, as opposed to just in their home market. The advantage of GDRs is that shares do not have to be bought through the issuing company’s home exchange, which may be difficult and expensive, but can be bought on all major stock exchanges. In addition, the share price and all dividends are converted to the shareholder’s home currency. As for other depository receipts, the depository may be a non-U.S. or a U.S. entity and the underlying securities may have a non-U.S. or a U.S. issuer. For purposes of a Fund’s investment policies, investments in depository receipts will be deemed to be investments in the underlying securities. Thus, a depository receipt representing ownership of common stock will be treated as common stock. Depository receipts purchased by a Fund may not necessarily be denominated in the same currency as the underlying securities into which they may be converted, in which case the Fund may be exposed to relative currency fluctuations.

Currency Transactions

The Funds may enter into currency transactions. Transactions on a spot (i.e. cash) basis are at the rate prevailing in the currency exchange market. Forward currency contracts are agreements to exchange one currency for another at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place will be negotiated and fixed for the term of the contract at the time that the Fund enters into the contract.

Securities Financing Transactions Regulation

A Fund may enter into the following transactions:

- (i) total return swaps; and
- (ii) repurchase agreements, reverse repurchase agreements and stock lending transactions.

Where indicated in the investment policies of a Fund, each Fund may enter into total return swaps (“TRS”) for investment and efficient portfolio management purposes, and may enter into other SFTs for efficient portfolio management purposes only. In this context, efficient portfolio management purposes include: hedging, the reduction of risk, the reduction of cost and the generation of additional capital or income for a Fund with a level of risk that is consistent with the risk profile of the relevant Fund.

If a Fund invests in TRS or SFTs, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the relevant Fund. Subject to any applicable investment restrictions, Funds which are allowed to invest in TRS or SFTs under their investment policies, may invest up to 20% of their Net Asset Value in these instruments. These Funds are not currently expected to invest in TRS or SFTs.

A Fund shall only enter into TRS and SFTs with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as adopted by the Investment Manager or Sub-Investment Manager.

The categories of collateral which may be received by a Fund include cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by a Fund will be valued in accordance with the valuation methodology set out under the section entitled “Determination of Net Asset Value”. Collateral received by a Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund receives collateral as a result of entering into TRS or SFTs, there is a risk that the collateral held by a Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty’s obligations under a TRS or SFT would satisfy the counterparty’s obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into TRS or SFTs, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to TRS and SFTs, see the sections entitled “Risk of Utilising Swap Agreements”, “Risk of Repurchase and Reverse Repurchase Agreements” and “Securities Lending Agreements under the “Special Considerations and Risks” section.

A Fund may provide certain of its assets as collateral to counterparties in connection with TRS and SFTs. If a Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty’s insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of a Fund, the relevant Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into TRS or SFTs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to any relevant restrictions laid down by the Central Bank, a Fund may re-invest cash collateral that it receives. If cash collateral received by a Fund is re-invested, a Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and a Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the relevant Fund.

Direct and indirect operational costs and fees arising from TRS or SFTs may be deducted from the revenue delivered to the relevant Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager, a Sub-Investment Manager or the Depositary.

Share Class Hedging

For each Fund that has Hedged Share Classes, it is intended to hedge each Hedged Share Class against movements in exchange rates between the currency of the Hedged Share Class, on the one hand, and the Base Currency, on the other hand. The administration of such hedging may be carried out by the Investment Manager, or the Sub-Investment Manager.

While the Investment Manager or Sub-Investment Manager will attempt to hedge the risk of changes in value between the currency of the relevant Hedged Share Class, on the one hand, and the Base Currency, on the other hand, there can be no guarantee that it will be successful in doing so. Hedging transactions will be clearly attributable to a specific Share Class. All costs and gains or losses of such hedged transactions shall be borne exclusively by the relevant Hedged Share Class in a manner whereby such costs and gains or losses shall not impact the Net Asset Value of the Share Classes other than the relevant Hedged Share Class. In the case of Hedged Share Classes, the use of Share Class hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting if the currency of the Hedged Share Class falls against the Base Currency. To the extent that hedging is successful, the performance of the Hedged Share Class (either in absolute terms or relative to its hedged index) is likely to move in line with the performance of the underlying assets.

Equity Securities

Equity securities include common stocks and preferred shares.

Mortgage-Backed Securities

Certain of the Funds may purchase mortgaged-backed securities (including agency, non-agency and TBA securities). Mortgage-backed securities provide capital for mortgage loans to residential homeowners, including securities that represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage banks, commercial banks and others. Pools of mortgage loans are assembled for sale to investors (such as a Fund) by various governmental, government-related and private organisations, such as dealers. The market value of mortgage-backed securities will fluctuate as a result of changes in interest rates and mortgage loans.

Interests in pools of mortgage loans generally provide a monthly payment that consists of both interest and principal payments. In effect, these payments are a “pass through” of the monthly payments made by the individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs that may

be incurred. Some mortgage-backed securities (such as securities issued by GNMA) are described as “modified pass through” because they entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment.

Collateralised Mortgage Obligations

Certain Funds may invest in collateralised mortgage obligations (‘CMOs’), which are a type of bond secured by an underlying pool of mortgages or mortgage pass-through certificates that are structured to direct payments on underlying collateral to different series or classes of the obligations. Such investments may include, but are not limited to, one or more of the following classes of CMOs:

Adjustable Rate Bonds (Arms)

Interest rates on these classes of CMOs may increase or decrease at one or more dates in the future according to the documentation governing their issuance.

Floating Rate Bonds (Floaters)

Interest rates on these classes of CMOs vary directly or inversely (although not necessarily proportionately, and may contain a degree of leverage) to an interest rate index. The interest rate is usually capped to limit the extent to which the issuer is required to over-collateralise the CMOs in the series with mortgage-related securities in order to ensure that there is sufficient cash flow to service all the classes of CMOs in that series.

Planned Amortisation Bonds or Targeted Amortisation Bonds

These classes of CMOs receive payments of principal according to a planned schedule to the extent that prepayments on the underlying mortgage-related securities occur within a broad time period (“Protection Period”). The principal is reduced only in specified amounts at specified times resulting in greater predictability of payment for the planned amortisation bonds or targeted amortisation bonds. If prepayments on the underlying mortgage-related securities occur at a rate greater or less than that provided for by the Protection Period, then the excess or deficiency of cash flows generated is absorbed by the other classes of CMOs in the particular series until the principal amount of each of the other classes has been paid in full, resulting in less predictability for those other classes. The principal reduction schedule of the planned amortisation bonds or targeted amortisation bonds may be determined according to an interest rate index. If the index rises or falls then more or less, respectively, of the payments on the underlying mortgage-related securities will be applied to amortise the planned amortisation bonds or targeted amortisation bonds. Stripped securities are created by separating bonds into their principal and interest components and selling each piece separately (commonly referred to as “IOs” and “POs”). Stripped securities are more volatile than other fixed income securities in their response to change in market interest rates. The value of some stripped securities moves in the same direction as interest rates, further increasing their volatility. The following are examples of stripped securities:

Principal Only Bonds

This class of stripped CMO has the right to all principal payments from the underlying mortgage-related securities. Principal only bonds sell at a deep discount. The return on a principal only bond increases the faster prepayments are received at par. The return on a principal only bond decreases if the rate of prepayment is slower than anticipated.

Interest Only Bonds

This class of CMOs has the right to receive only payments of interest from the pool of underlying mortgage-related securities. Interest only bonds have only a notional principal amount and are entitled to no payments of principal. Interest only bonds sell at a substantial premium and therefore the return on an interest only bond increases as the rate of prepayment decreases because the notional amount upon which interest accrues remains larger for a longer period of time.

Over-The-Counter Securities

Securities owned by the Funds may be traded in the “over-the-counter” market or on a regional securities exchange. Such securities may not be traded every day or in the volume typical of securities trading on a national securities exchange.

Illiquid Securities

Limitations on resale may have an adverse effect on the marketability of portfolio securities and a Fund might not be able to dispose of restricted or other securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemptions. The Funds might also have to register such securities in order to dispose of them, resulting in additional expense and delay.

Futures and Options on Futures

The Funds may enter into certain types of futures contracts or options on futures contracts. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, U.S. Government Securities or other liquid assets generally not exceeding 5% of the face amount of the futures contract must be deposited with the broker. This amount is known as initial margin. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates making the long and short positions in the futures contract more or less valuable, a process known as “marking to market.” In most cases futures contracts are closed out before the settlement date without the making or taking of delivery. Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument or commodity and the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realises a loss. Similarly, the closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realises a gain, and if the purchase price exceeds the offsetting sale price, a loss will be realised.

Options on Securities and Indices

The Funds may engage in certain options on securities and stock indices that are traded on an exchange or in individually negotiated transactions with other parties (these are known as “over-the-counter” or “OTC”). Over-the-counter options, unlike exchange-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. Over-the-counter currency options generally do not have as much market liquidity as exchange-traded options.

A call option on a security is a short-term contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. The writer (seller) of the call option, who receives the premium, has the obligation, upon exercise of the option, to deliver the underlying securities against payment of the

exercise price. A put option is a similar contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy the underlying securities, upon exercise, at the exercise price.

A securities index measures the movement of a certain group of securities by assigning relative values to the securities included in the index. Options on securities indexes are generally similar to options on specific securities. Unlike options on securities, however, options on securities indexes do not involve the delivery of underlying securities; the option in the case of an option on a securities index represents the holder's right to obtain from the writer in cash a fixed multiple of the amount by which the exercise price exceeds (in the case of a call) or is less than (in the case of a put) the closing value of the underlying securities index on the exercise date.

The Funds may use options contracts to realise profits through the receipt of premiums, to protect unrealised gains or avoid realising losses, to hedge positions held by, or expected to be held by, the Funds and/or to protect against price movements in one or more particular securities positions that the Funds own or intends to acquire. Hedging strategies can be broadly categorised as "short hedges" and "long hedges." A short hedge is a purchase or sale of an option intended partially or fully to offset potential declines in the value of one or more investments held in a Fund's portfolio. Thus, in a short hedge, the Fund takes a position in an option whose price is expected to move in the opposite direction of the price of the investment being hedged. Conversely, a long hedge is a purchase or sale of an option intended partially or fully to offset potential increases in the acquisition cost of one or more investments that the Fund intends to acquire. Thus, in a long hedge, the Fund takes a position in an option whose price is expected to move in the same direction as the price of the prospective investment being hedged.

The value of an option position will reflect, among other things, the current market value of the underlying investment, the time remaining until expiration, the relationship of the exercise price to the market price of the underlying investment, the historical price volatility of the underlying investment and general market conditions. Options that expire unexercised have no value.

The Funds may effectively terminate their right or obligation under an option by entering into a closing transaction. For example, the Funds may terminate their obligation under a call or put option that it had written by purchasing an identical call or put option; this is known as a closing purchase transaction. Conversely, the Funds may terminate a position in a put or call option it had purchased by writing an identical put or call option; this is known as a closing sale transaction. Closing transactions permit the Funds to realise profits or limit losses on an option position prior to its exercise or expiration. A type of put that the Funds may purchase is an "optional delivery standby commitment," which is entered into by parties selling debt securities to the Fund. An optional delivery standby commitment gives the Funds the right to sell the security back to the seller on specified terms. This right is provided as an inducement to purchase the security.

"When-Issued" Securities and Firm Commitment Agreements

The Funds may purchase securities on a delayed delivery or "when issued" basis and enter into firm commitment agreements (transactions in which the payment obligation and interest rate are fixed at the time of the transaction but the settlement is delayed). Delivery and payment for these securities typically occur 15 to 45 days after the commitment to purchase. No interest accrues to the purchaser during the period before delivery.

Swaps

The Funds may enter into swaps, caps, floors, and collars to preserve a return or a spread on a particular investment or portion of its portfolio, to protect against any increase in the price of securities the fund anticipates purchasing at a later date or to attempt to enhance yield. In particular, the Funds intend to enter into equity swap transactions. A swap involves the exchange by a Fund with another party of their

respective commitments to pay or receive cash flows, e.g., an exchange of floating rate payments for fixed-rate payments. The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. A collar combines elements of buying a cap and a floor.

Swap agreements, including caps, floors and collars, can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the overall volatility of a Fund's investments and its share price and yield because, and to the extent, these agreements affect the Fund's exposure to long- or short-term interest rates (both in and out of the United States), foreign currency values, mortgage-backed security values, corporate borrowing rates or other factors such as security prices or inflation rates.

Swap agreements will tend to shift the Fund's investment exposure from one type of investment to another. For example, if a Fund agrees to exchange fixed-rate payments for variable-rate payments (e.g., a payment tied to the return on a broad-based securities index), the swap agreement would tend to decrease the Fund's exposure to market risk on the value of the security.

The Investment Manager/Sub-Investment Manager will monitor the creditworthiness of firms with which a Fund enters into swaps, caps, floors, or collars. If a firm's creditworthiness declines, the value of the agreement would be likely to decline, potentially resulting in losses. If a default occurs by the other party to such transaction, the Fund will have contractual remedies pursuant to the agreements related to the transaction.

Contracts for Differences

The Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences ("CFD") are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed.

Eurobonds

Eurobonds are fixed income securities issued by corporations and sovereign entities for sale in the Euromarket.

Eurodollar bonds and Yankee Dollar Instruments

A Eurodollar bond is a Eurobond that is denominated in US Dollars. It is a US Dollar-denominated obligation issued outside the United States by non-US corporations or other entities. A Yankee dollar instrument is US Dollar-denominated obligation issued in the United States by non-US corporations or other entities.

Brady Bonds

Brady Bonds are debt securities, generally denominated in US Dollars, issued under the framework of the "Brady Plan", an initiative announced by former US Treasury Secretary Nicholas F. Brady in 1989 as a mechanism for debtor nations to restructure their outstanding external commercial bank indebtedness. Brady Bonds issued to date generally have maturities of between 15 to 30 years from the date of issuance. Brady Bonds are issued by Emerging Market Countries in connection with the restructuring of non-performing loans. During restructuring, debtor countries usually accomplish debt

burden reduction due to one or a combination of the following: (i) the new debt is issued below the face value of the original debt; (ii) the new debt has lower interest payments than the original debt; or (iii) some portion of the original debt is written off. Brady Bonds may be collateralised or uncollateralised. Investment in Brady Bonds can be volatile because Brady Bonds are highly sensitive to movements in US interest rates.

Dollar Rolls

The Funds may enter into dollar rolls, in which the Fund sells securities and simultaneously contracts to repurchase substantially similar (same type and coupon) securities on a specified future date. The Fund forgoes principal and interest paid during the roll period on the securities sold in a dollar roll, but it is compensated by the difference between the current sales price and the price for the future purchase as well as by any interest earned on the proceeds of the securities sold. The Fund could also be compensated through the receipt of fee income. While not intended by the Investment Manager to be as such, dollar rolls may be viewed as a borrowing by the Fund and also may have the effect of leveraging the assets of the Fund.

Debt Securities

The Funds may from time to time invest in debt securities, which include (but are not limited to) fixed or floating rate debt securities, bonds issued or guaranteed by corporations or governmental agencies or instrumentalities thereof, central banks or commercial banks, notes (including structured notes and freely transferable promissory notes), debentures, commercial paper, Brady bonds, Eurobonds, Eurodollar bonds and Yankee Dollar Instruments and convertible securities. Fixed rate debt securities are securities which carry a fixed rate of interest, which does not fluctuate with general market conditions. Floating rate debt securities are securities that carry a variable interest rate, which is initially tied to an external index. As well as investing in higher-rated debt securities, the Funds may invest in medium or low-rated debt securities and in unrated securities of comparable quality.

Other Investment Companies

The Funds may from time to time invest in closed-ended and open-ended collective investment schemes (including other investment companies) established worldwide. Such collective investment schemes may be regulated or unregulated, leveraged or unleveraged funds and funds of funds. The Funds may also invest in closed-ended and open-ended collective investment schemes and other investment companies which themselves invest in debt securities. Closed-ended collective schemes, in which the Funds may invest, may be listed or unlisted. Assets of a Fund invested in closed-ended and open-ended collective investment schemes are subject to advisory and other fees imposed by the closed-ended and open-ended collective investment schemes, as well as to those fees imposed by the Fund.

Cluster Munitions

The Funds adhere to a cluster munition policy that requires the Investment Manager and Sub-Investment Managers to exclude investment in companies involved, directly or indirectly, in the production or sale of cluster munitions.

INVESTMENT RESTRICTIONS

If the following investment restrictions and limitations are exceeded for reasons beyond the control of the Funds, the Funds shall adopt as a priority objective for their sales transactions the remedying of that situation taking account of the interests of the Funds and their Shareholders.

The Company as a whole may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. Furthermore, the Company as

a whole may not take or seek to take legal or management control of the issuer of any of its underlying investments.

The Funds shall only invest in units of a collective investment scheme managed by the AIFM or by an associated or related company of the AIFM where the management company of the collective investment scheme in which the investment is being made has waived the preliminary, initial or redemption charge which it would normally charge. The Funds may only retain 10% of redemption proceeds where this reflects the redemption policy of the underlying collective investment scheme(s) until such time as the full redemption proceeds from the underlying collective investment scheme(s) are received.

Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund

1. The Fund shall limit its leverage, if any, through the use of financial derivative instruments to not more than 100% of its Net Asset Value, measured using the commitment approach. The 100% limit does not include borrowing as provided for in 2 below.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one week) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.
4.
 - 4.1 The Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
 - 4.2 The limit of 10% referred to in 4.1 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a EU member state and is subject by law to special public supervision designed to protect bond-holders. If the Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
 - 4.3 The limit of 10% referred to in 4.1 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
 - 4.4 The transferable securities and money market instruments referred to in 4.2 and 4.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 4.1 above.
5. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock exchange or other regulated market.
6. The Fund may acquire no more than:
 - 6.1 10% of the shares of any single issuing body; or
 - 6.2 10% of the debt securities of any single issuing body.

Legg Mason Western Asset Senior Loans Fund

1. The Fund shall limit its leverage, if any, through the use of financial derivative instruments to not more than 100% of its Net Asset Value, measured using the commitment approach. The 100% limit does not include borrowing as provided for in 2 below.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one week) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.
4.
 - 4.1 The Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
 - 4.2 The limit of 10% referred to in 4.1 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a EU member state and is subject by law to special public supervision designed to protect bond-holders. If the Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
 - 4.3 The limit of 10% referred to in 4.1 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
 - 4.4 The transferable securities and money market instruments referred to in 4.2 and 4.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 4.1 above.
5. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock exchange or other regulated market.
6. The Fund may acquire no more than:
 - 6.1 10% of the shares of any single issuing body; or
 - 6.2 10% of the debt securities of any single issuing body.

Legg Mason Western Asset India Bond Fund

1. The Fund shall limit its leverage, if any, through the use of financial derivative instruments to not more than 100% of its Net Asset Value, measured using the commitment approach. The 100% limit does not include borrowing as provided for in 2 below.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one week) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.
4.
 - 4.1 The Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
 - 4.2 The limit of 10% referred to in 4.1 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a EU member state and is subject by law to special public supervision designed to protect bond-holders. If the Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
 - 4.3 The limit of 10% referred to in 4.1 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
 - 4.4 The transferable securities and money market instruments referred to in 4.2 and 4.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 4.1 above.
 - 4.5 The Fund may invest up to 100% of the Net Asset Value of the Fund in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities, non-member state or public international body of which one or more EU member states are members, including the Government of India, provided that the Fund must hold securities from at least six different issues with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund.
5. The Fund will not invest in securities that the Investment Manager or the Sub-Investment Manager consider to be illiquid at the time of purchase.
6. The Fund may acquire no more than:
 - 6.1 10% of the shares of any single issuing body; or
 - 6.2 10% of the debt securities of any single issuing body.
7. The Fund may not enter into uncovered sales of transferable securities, money market instruments, units of collective investment schemes or financial derivative instruments.
8. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock

exchange or other regulated market.

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund

1. The market risk of the Fund will be measured using the value-at-risk (“VaR”) methodology. The absolute VaR of the Fund will not exceed 20% of the Fund’s Net Asset Value. It is expected that under normal market conditions, the Fund’s leverage, as calculated using the sum of the notionals of the derivatives held by the Fund (the “Notionals Approach”), will be less than 1,000% of the Fund’s Net Asset Value. If the Fund uses a high amount of leverage, especially the higher amount permitted in exceptional circumstances, it may have greater losses that would have occurred absent the high leverage.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one week) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.
4. A maximum of 25% of the Fund’s Net Asset Value may be invested in convertible debt securities and/or debt securities with an option to acquire equity securities.
5. The Fund will not purchase equity securities or beneficial interests in equity securities except for preferred shares or warrants; provided that no more than 10% of the Fund’s Net Asset Value may be invested in preferred shares and/or warrants (a maximum of 10% of the Fund’s Net Asset Value may be invested in warrants).
6.
 - 6.1 The Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
 - 6.2 The limit of 10% referred to in 6.1 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a EU member state and is subject by law to special public supervision designed to protect bond-holders. If the Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
 - 6.3 The limit of 10% referred to in 6.1 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
 - 6.4 The transferable securities and money market instruments referred to in 6.2 and 6,3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 6.1 above.
7. The Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member State or public international body of which one or more Member States are members, provided that the Fund must hold securities from at least six different issues with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund.

8. The Fund may acquire no more than: (i) 10% of the shares of any single issuing body; or (ii) 10% of the debt securities of any single issuing body.
9. The Fund may not enter into uncovered sales of transferable securities, money market instruments, units of collective investment schemes or financial derivative instruments.
10. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock exchange or other regulated market.

Legg Mason Western Asset High Yield Credit Energy Fund

1. The Fund shall limit its leverage, if any, through the use of financial derivative instruments to not more than 100% of its Net Asset Value, measured using the commitment approach. The 100% limit does not include borrowing.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one year) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
4. The Fund may invest no more than 50% of its Net Asset Value in Rule 144A securities that do not have registration rights.
5. The Fund may invest no more than 40% of its Net Asset Value in debt instruments of non-U.S. issuers denominated in U.S. Dollars (e.g., Yankee dollar instruments).
6. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock exchange or other regulated market.
7. The Fund may acquire no more than:
 - 7.1 10% of the shares of any single issuing body; or
 - 7.2 10% of the debt securities of any single issuing body.

Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund

1. The market risk of the Fund will be measured using the value-at-risk (“VaR”) methodology. The absolute VaR of the Fund will not exceed 20% of the Fund’s Net Asset Value. It is expected that under normal market conditions, the Fund’s leverage, as calculated using the sum of the notionals of the derivatives held by the Fund (the “Notionals Approach”), will be less than 850% and under exceptional market conditions less than 1,000% of the Fund’s Net Asset Value. If the Fund uses a high amount of leverage, especially the higher amount permitted in exceptional circumstances, it may have greater losses that would have occurred absent the high leverage.
2. The Fund may invest no more than 25% of its Net Asset Value in convertible debt securities and/or debt securities with an option to acquire equity securities.
3. The Fund will not purchase equity securities or beneficial interests in equity securities except for preferred shares or warrants; provided that no more than 10% of the Fund’s Net Asset Value may be invested in preferred shares and/or warrants (subject to a maximum of 10% of the Fund’s Net Asset Value being invested in warrants at any one time). With the exception of preferred shares or warrants the Fund will only hold equities directly pursuant to a conversion

of a convertible bond or via a corporate action.

Western Asset European Loan Fund

1. The Fund shall limit its leverage, if any, through the use of financial derivative instruments to not more than 100% of its Net Asset Value, measured using the commitment approach. The 100% limit does not include borrowing as provided for in 2 below.
2. Without prejudice to the limit set out in 1 above, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis (i.e., less than one week) for cash flow purposes. The Fund may charge or pledge its assets for any such borrowing and/or leverage.
3. The Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.
4.
 - 4.1 The Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
 - 4.2 The limit of 10% referred to in 4.1 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a EU member state and is subject by law to special public supervision designed to protect bond-holders. If the Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
 - 4.3 The limit of 10% referred to in 4.1 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
 - 4.4 The transferable securities and money market instruments referred to in 4.2 and 4.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 4.1 above.
5. The Fund may not invest more than 20% of its Net Asset Value in shares not listed on a stock exchange or other regulated market.
6. The Fund may acquire no more than:
 - 6.1 10% of the shares of any single issuing body; or
 - 6.2 10% of the debt securities of any single issuing body.

Adherence to Investment Policy

Any change in the investment objective and any material change in the investment policies of the Company will be subject to the prior approval in writing of all of the Shareholders or on the basis of a majority of votes cast at a general meeting of Shareholders and shall be notified to the Central Bank. In the event of any change in the investment objective and any change in the investment policies of the Company, a reasonable notice period will be provided to Shareholders to redeem their Shares prior to

the implementation of the change.

SPECIAL CONSIDERATIONS AND RISKS

The purchase of Shares of a Fund involves a number of risks relating to investments in investment vehicles generally and to the structure and investment objective of the Fund in particular. In addition to the risks set forth in the previous section entitled “Further information on investments in which the Funds may invest,” the Funds, and your investment(s) therein, are subject to the following risks.

Investment Risks

The investment strategies employed by the Funds are speculative and entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objectives of the Funds will be achieved.

An investment in a Fund involves investment risks, including the possible loss of the amount invested. The capital return and income of the Funds are based on the capital appreciation and income on the investments they hold, less expenses incurred. Therefore, the return may be expected to fluctuate in response to changes in such capital appreciation or income.

The success of the investment strategies of the Funds depends on the ability of the Investment Manager/Sub-Investment Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of these opportunities involve uncertainty. No assurance can be given that the Investment Manager/Sub-Investment Manager will be able to locate investment opportunities or to correctly exploit inefficiencies in the markets. A reduction in inefficiencies in the markets in which the Investment Manager/Sub-Investment Manager invest will reduce the scope of the Funds’ investment strategies. In the event that the perceived mis-pricings underlying the Funds’ positions were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager/Sub-Investment Manager, a Fund might incur a loss.

Equity Risks

The Funds invest in equity securities. Investments in equity securities offer the potential for substantial capital appreciation. However, such investments also involve certain risks, including issuer, industry, market and general economic related risks. Although the Investment Manager/Sub-Investment Manager will attempt to reduce these risks by utilising various techniques described herein, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund.

Risks of Equity-Related Securities

Equity-related securities (“ERS”) are generally subject to the same risks as the equity securities or baskets of equity securities to which they relate. Upon the maturity of the ERS, a Fund generally receives a return of principal based on the capital appreciation of the underlying securities. If the underlying securities decline in value, the ERS may return a lower amount at maturity. The trading price of an ERS also depends on the value of the underlying securities. ERS involve further risks associated with purchases and sales of notes, including the exchange rate fluctuations and a decline in the credit quality of the ERS issuer. ERS may be secured by collateral. If an issuer defaults, the Fund would look to any underlying collateral to recover its losses. Rating of issuers of ERS refer only to the issuers’ creditworthiness and the related collateral. They provide no indication of the potential risks of the underlying securities.

Warrants, which provide rights to buy securities, can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move in

tandem with the prices of the underlying securities and may be volatile. They have no voting rights, pay no dividends and offer no rights with respect to the assets of the issuer other than a purchase option. If a warrant held by a Fund is not exercised by the date of its expiration, the Fund would lose the entire purchase price of the warrant.

Concentration Risk

The Investment Manager/Sub-Investment Manager may make investment decisions primarily on the basis of company-specific factors, which may result in a substantial portion of a Fund's investments consisting of securities of companies doing business in one industry or product field. Other Funds may concentrate investments in securities of issuers from a particular country or geographic region. Such concentrations of assets could increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility.

Geographic Location Risk

The Legg Mason Western Asset India Bond Fund invests primarily in India, which means that it is more sensitive to local economic, market, political or regulatory events in India and will be more affected by these events than other funds that invest in a broader range of regions.

Emerging Markets Risk

The Funds may invest in the markets of countries which are smaller, less developed and regulated and more volatile than the markets of more developed countries.

Operational Risk

The Funds are subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties.

Political Risk

Political developments and legal, taxation or regulatory changes could have a substantial effect on a Fund.

Market Events Risk

Market risk is the possibility of an investor experiencing losses due to factors that affect the overall performance of financial markets, including: changes in interest rates; trade, fiscal, monetary and exchange controls programmes and policies of governments; national and international political and economic events; the global and domestic effects of a pandemic; and any other failure of markets to function. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impact on global economies or markets. Whether or not a Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic, political or financial difficulties, the value and liquidity of the Fund's investments may be negatively affected.

Risks of Loan Participations and Assignments

Securitized loan participations typically will result in a Fund having a contractual relationship only with the lender, not with the borrower. The Fund will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement

relating to the loan, nor any rights of set-off against the borrower, and the Fund may not directly benefit from any collateral supporting the loan in which it has purchased the participation. As a result, the Fund will assume the credit risk of both the borrower and the lender that is selling the participation. In the event of the insolvency of the lender selling a loan participation, the Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower.

A Fund may have difficulty disposing of securitised and unsecuritised loan participations or loans. The liquidity of such instruments is limited, and they may be sold only to a limited number of institutional investors. This could have an adverse impact on the value of such securities and on the Fund's ability to dispose of particular participations when necessary to meet its liquidity needs or in response to a specific economic event, such as a deterioration in the creditworthiness of the borrower, and also may make it more difficult to assign a value to the participations or loans for the purposes of valuing the Fund's portfolio and calculating its Net Asset Value.

Risks of Mortgage-Backed Securities

Mortgage-backed securities provide a monthly payment consisting of interest and principal payments. Additional payments may be made out of unscheduled repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs that may be incurred. Prepayments of principal on mortgage-backed securities may tend to increase due to refinancing of mortgages as interest rates decline. Prepayments may be passed through to the registered holder with the regular monthly payments of principal and interest, and have the effect of reducing future payments. In the event of prepayments, a Fund may experience a loss (if the price at which the respective security was acquired by the Fund was at a premium over par, which represents the price at which the security will be redeemed upon repayment) or a gain (if the price at which the respective security was acquired by the Fund was at a discount from par). To the extent that the Fund purchases mortgage-backed securities at a premium, mortgage foreclosures and prepayments of principal by mortgagors (which may be made at any time without penalty) may result in some loss of the Fund's principal investment to the extent of the premium paid. Prepayments may occur with greater frequency in periods of declining mortgage rates because, among other reasons, it may be possible for mortgagors to refinance their outstanding mortgages at lower interest rates. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancing slows, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed-income securities.

Mortgage pools created by private organisations generally offer a higher rate of interest than governmental and government-related pools because there are no direct or indirect guarantees of payments in the former pools. Timely payment of interest and principal in private organisation pools, however, may be supported by various forms of private insurance or guarantees, including individual loan, title, pool and hazard insurance. There can be no assurance that the private insurers can meet their securities under the policies. A Fund's yields may be affected by reinvestment of prepayments at higher or lower rates than the original investment. In addition, like those of other debt securities, the values of mortgage-related securities, including government and government-related mortgage pools, generally will fluctuate in response to market interest rates.

Risks of Non-Publicly Traded and Rule 144A Securities

Non-publicly traded and Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may be less liquid than publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in

illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

Risks of Stripped Securities

The yield to maturity on an interest only or principal only class of stripped mortgage-backed securities is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on a Fund's yields to maturity to the extent it invests in interest only bonds. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Fund may fail to recoup fully their initial investments in these securities. Conversely, principal only bonds tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped mortgage-backed securities may be more volatile and less liquid than that for other mortgage-backed securities, potentially limiting the Fund's ability to buy or sell those securities at any particular time.

Risks of Asset Backed Securities

The principal of asset backed securities may be prepaid at any time. As a result, if such securities were purchased at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect. Conversely, if the securities are purchased at a discount, prepayments faster than expected will increase yield to maturity and prepayments slower than expected will decrease it. Accelerated prepayments also reduce the certainty of the yield because a Fund must reinvest the assets at the then-current rates. Accelerated prepayments on securities purchased at a premium also impose a risk of loss of principal because the premium may not have been fully amortised at the time the principal is repaid in full.

Illiquid Investments

The Funds may invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and the Funds may not be able to sell them when they desire to do so or to realise what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than do the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. A Fund may not be able to readily dispose of such illiquid investments. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. An investment in the Funds is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

In particular, a notice period of ten (10) Business Days has been imposed on redemption requests for the Legg Mason Western Asset High Yield Credit Energy Fund to enable the Fund to manage liquidity.

Liquidity Risks

The assets in which the Company may invest, subsequent to their purchase may prove to be illiquid and prices may be highly volatile. This may affect the price at which and the time period in which the Company may liquidate positions to meet redemption requests or other funding requirements. The Company may be unable to dispose of the investments acquired by it or, should it be able to dispose of them, may realise a price at significantly less than par (or even zero) or significantly less than any net asset value or valuation it has previously obtained for such investments.

Leverage Risks

The Funds will borrow and utilise various lines of credit and other forms of leverage. Leverage will magnify declines as well as increases in the Net Asset Value of a Fund and will likely increase the volatility of the Fund's Net Asset Value. The Funds' assets may change in value during the time a borrowing is outstanding, thus increasing exposure to capital risk. To the extent the income derived from the assets obtained with borrowed funds exceeds the interest and other expenses that a Fund will have to pay, the Fund's net income will be greater than if borrowing were not used. Conversely, however, if the income from the assets obtained with borrowed funds is not sufficient to cover the cost of borrowing, the net income of the Fund will be less than if borrowings were not used.

If the assets, if any, used to secure the borrowing decrease in value, a Fund may be required to pledge additional collateral to the lender in the form of cash or securities to avoid liquidation of those assets. The use of leverage may also cause the Fund to liquidate positions when it may not be advantageous to do so in order to satisfy obligations with respect to the leverage. The rights of any lenders to a Fund to receive payments of principal and interest will be senior to the rights of Shareholders, and the terms of the Fund's borrowings may contain provisions that limit certain activities of the Fund and could result in precluding the purchase of instruments that the Fund would otherwise purchase.

Collateral and Re-Use Arrangements

The terms of hedging arrangements and other derivative transactions entered into by a Fund may provide that collateral given to, or received by the Fund may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by a Fund is re-invested or otherwise re-used, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. Similarly, if the counterparty re-invests or otherwise re-uses collateral received from the Fund and suffers a loss as a result, it may not be in a position to return that collateral to the Fund should the relevant transaction complete, be unwound or otherwise terminate and the Fund is exposed to the risk of loss of the amount of collateral provided to the counterparty.

Derivative Risks

Derivatives, in general, involve special risks and costs and may result in losses to the Funds. The successful use of derivatives requires sophisticated management, and the Funds will depend on the ability of the Investment Manager/Sub-Investment Manager to analyse and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Investment Manager/Sub-Investment Manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to a Fund. The Fund's use of derivatives may also have an adverse effect on tax liabilities by shareholders.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the Funds' derivatives positions at any time. In fact, many over-the-counter instruments will not be liquid and may not be able to be "closed out" when desired. Over-the-counter instruments such as swap transactions also involve the risk that the other party will not meet its securities to a Fund. The participants in "over-the-counter" markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes the Funds to risk that counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss.

Risks of Money Market Instruments

The credit rating of a money market instrument may be downgraded if the issuer is regarded as less likely to meet interest payments, meaning the value of that instrument would fall and the Fund may have to dispose of the instrument which could result in a loss to the Fund. In addition, a Fund's income may be based on short-term interest rates which can fluctuate significantly over short periods and this may affect the value of the Fund's investments.

Inflation-Linked Risk

The value of investments held by the Funds that are intended to protect against inflation may be negatively affected by changes in interest rates.

Risk of Utilising Futures

Purchasing and selling of futures contracts are highly specialised activities and entail greater than ordinary market risks. The use of futures contracts involves several risks. There can be no assurance that there will be a correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the securities, which are the subject of the hedge, on the other hand. There can be no assurance that an active market will exist for a particular contract or option at any particular time. The Funds could be subject to substantial daily valuation margin calls. If a Fund has insufficient cash to meet daily valuation margin requirements, it may need to sell securities at a time when such sales are disadvantageous.

At such time as a Fund invests in futures, there is no guarantee that the Fund will be able to enter into an offsetting closing transaction for a purchased or sold futures contract, by selling or purchasing, respectively, an instrument identical to the instrument purchased or sold. In addition, under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavourable positions. If a Fund is unable to liquidate a futures position due to the absence of a liquid secondary market or the imposition of price limits, it could incur substantial losses. Furthermore, the Fund would continue to be subject to market risk with respect to the position.

Risk of Utilising Options

Option contracts are derivatives transactions which involve special risks and costs to the Funds. For example, because option premiums paid or received by a Fund will be small in relation to the market value of the investment underlying the options, trading in options could cause the Fund's Net Asset Value to be subject to more frequent and wider fluctuations than would be the case if the Fund did not utilize options.

Upon the exercise of a put option written by a Fund, the Fund may suffer a loss equal to the difference between the price at which the Fund is required to purchase the underlying asset and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by a Fund, the Fund may suffer a loss equal to the excess of the market value of the asset at the time of the option's exercise over the price at which the Fund is obliged to sell the asset, less the premium received for writing the option.

No assurance can be given that the Funds will be able to effect closing transactions at a time when they wish to do so. If a Fund cannot enter into a closing transaction, the Fund may be required to hold assets that it might otherwise have sold, in which case it would continue to be at market risk on such assets and could have higher transaction costs, including brokerage commissions.

The successful use of derivatives requires sophisticated management, and the Funds will depend on the ability of the Investment Manager/Sub-Investment Manager to analyse and manage derivatives

transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Fund may not prove to be what the Investment Manager/Sub-Investment Manager expected. Some derivatives are “leveraged” and therefore may magnify or otherwise increase investment losses to the Fund.

Risk of Utilising Swap Agreements

The Funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease a Fund’s exposure to security prices or baskets of equity securities. Swap agreements can take many different forms and are known by a variety of names. The Funds are not limited to any particular form of swap agreement if consistent with the Fund’s investment objective and policies.

Swap agreements tend to shift a Fund’s investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund’s portfolio. The most significant factor in the performance of swap agreements is the change in the specific individual equity values or other factors that determine the amounts of payments due to and from a Fund. If a swap agreement calls for payments by a Fund, the Fund must be prepared to make such payments when due. If a counterparty’s creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Risks of Forward Currency Transactions

The market for a particular forward currency contract held by a Fund may be limited, which may in turn restrict a Fund’s ability to hedge against the risk of devaluation in the securities denominated in that currency. Should interest or exchange rates move in an unexpected manner, the Fund would not achieve the anticipated benefits of forward currency contracts or could realise losses and thus be in a less advantageous position than if those strategies had not been used. Many forward currency contracts are not subject to daily price fluctuation limits so that adverse market movements could continue with respect to those contracts to an unlimited extent over a period of time. In addition, the correlation between movements in the prices of those contracts and movements in the prices of the currencies hedged or used for cover will not be perfect. Although the Funds may engage in currency hedging transactions, the Funds do not intend to fully or partially hedge its portfolio against currency risks on an ongoing basis. No assurance can be given that any currency transaction will fully hedge the intended portion of a Fund’s currency loss exposure.

The Funds’ ability to dispose of its positions in forward currency contracts will depend on the availability of active markets in those instruments. As a result, no assurance can be given that the Funds will be able to utilise these contracts effectively for the purposes described above.

Risk of Debt Securities

The prices of debt securities fluctuate in response to perceptions of the issuer’s creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity, the greater such variations.

The Funds are subject to credit risk (i.e. the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and not absolute guarantees as to quality. The agencies may change, without prior notice, their ratings on particular debt securities held by a Fund, and downgrades in ratings are likely to adversely affect the price of the

relevant debt securities. Investment grade securities may be subject to the risk of being downgraded to below investment grade.

Not all government securities are backed by the full faith and credit of their respective national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities, which may subject a Fund to credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities (collectively referred to as “lower-rated” securities) of comparable quality, a Fund may realise a higher current yield than the yield offered by higher rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Such securities may involve large uncertainties or major risk exposures to adverse conditions, and may be speculative with respect to an issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligation. Although the prices of lower-rated securities are generally less sensitive to interest rate changes than are higher rated securities, the prices of lower-rated securities may be more sensitive to adverse economic changes and developments regarding the individual issuer or the industry in which the issuer is engaged, which can severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity.

Highly leveraged issuers may also experience financial stress during periods of rising interest rates. In addition, the secondary market for lower-rated securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, a Fund could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Therefore, prices realised upon the sale of such lower-rated securities, under these circumstances, may be less than the prices used in calculating the Fund’s net asset value.

Lower-rated securities also present risks based on payment expectations. If an issuer calls an obligation for redemption, the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Fund experiences unexpected net redemptions, it may be forced to sell its higher-rated securities, resulting in a decline in the overall credit quality of the Fund’s investment portfolio and increasing the exposure of the Fund to the risks of lower-rated securities.

Investment in lower-rated debt securities may limit a Fund’s ability to sell such securities at fair value. Judgment plays a greater role in pricing such securities than in the case of securities having more active markets. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of lower-rated debt securities, especially in a thinly traded market.

Risk of Repurchase and Reverse Repurchase Agreements

If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be sold to pay off the seller’s debts. There may be both delays in liquidating the underlying securities and losses during the period while the Company on behalf of the Fund seeks to enforce its rights, including possible sub-normal level of income and lack of access to income during the period and expenses in enforcing its rights.

Reverse repurchase agreements create the risk that the market value of the securities sold by a Fund may decline below the price at which the Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for

bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

Securities Lending Agreements

A Fund will be exposed to credit risk presented by the counterparty to any securities lending contract, similar to repurchase and reverse repurchase agreements. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

European Market Infrastructure Regulation ("EMIR")

A Fund may enter into OTC derivative contracts. EMIR establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations, bilateral risk management requirements and reporting requirements.

The potential implications of EMIR for the Funds include, without limitation, the following:

- (a) clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- (b) risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Funds will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost to the Funds of pursuing their investment strategies (or hedging risks arising from their investment strategies);
- (c) reporting obligations: each Fund's derivative transactions must be reported to a trade repository (or, where such a trade repository is not available, ESMA. This reporting obligation may increase the costs to the Funds of utilising derivatives; and
- (d) risk of sanction by the Central Bank in the event of non-compliance with the EMIR obligations.

SECURITISATION REGULATION

EU risk retention and due diligence requirements (the "EU Risk Retention Requirements") have been in effect in Europe since 2011. These requirements are based on the indirect approach that requires various types of EU-regulated investors, including credit institutions, authorised alternative investment fund managers, investment firms and insurance and reinsurance undertakings (rather than the arrangers or securitisation issuers) to satisfy themselves that certain securitisation transactions they intend to invest in is compliant with the EU Risk Retention Requirements. Among other things, such requirements restrict a relevant investor from investing in securitisations unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant originator, sponsor or original lender and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the EU Risk Retention Requirements may result in

various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the securities acquired by the relevant investor.

On 17 January 2018, the new Securitisation Regulation (Regulation EU 2017/2402) (the “Securitisation Regulation”) came into force and applies across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to EU-regulated institutional investors investing in Securitisations. Fund management companies such as the AIFM, and accordingly the Funds, are within scope of the Securitisation Regulation. The definition of “Securitisation” is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Fund management companies such as the AIFM must ensure that the originator, sponsor or original lender of a Securitisation retains at least a 5% net economic interest in the Securitisation. These rules will mean that the AIFM or the relevant Investment Manager will need to conduct due diligence before a Fund invests in a Securitisation Position and continue to perform due diligence during the period the investment continues in a Securitisation. Where a Fund is exposed to a Securitisation Position which does not meet the requirements of the Securitisation Regulation, the AIFM or the relevant Investment Manager is required to, in the best interests of the investors in the relevant Fund, act and take corrective action, if appropriate.

The Securitisation Regulation applies to Securitisations the securities of which are issued on or after 1 January 2019 or which create new Securitisation Positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created. Though the Securitisation Regulation will apply to securitisations the securities of which are issued on or after 1 January 2019, there can be no assurance as to whether the investments described herein made by a Fund will be affected by the Securitisation Regulation or any change thereto.

Risk of Unavailability of Investment Quota in India

The investment in Indian domestic fixed income securities will be subject to the available Government and corporate bond quota on fixed income investments. The Legg Mason Western Asset India Bond Fund may therefore be able to invest in domestic fixed income securities only when such quota is available. The total outstanding quota in Indian government bonds and in corporate bonds cannot exceed the limits as allotted by SEBI. Such limits are allocated through auction processes and/or applications submitted directly to regulators. The Legg Mason Western Asset India Bond Fund may not be granted any quota to invest in such markets.

Counterparty Risks

Certain markets in which the Funds may effect transactions are “over-the-counter” or “inter-dealer” markets, and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not a bona fide dispute) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties, the lack of any meaningful and

independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Counterparty risk also applies to swap transactions that the Funds may enter into with various counterparties. The Funds are subject to the risk of a counterparty defaulting on a swap transaction causing a Fund to suffer a loss or not realising as much gain on the transaction as it might otherwise realised.

Past Performance

The past investment performance of any of the Investment Manager/Sub-Investment Manager or their affiliates, or entities with which they have been associated, is not an indication of the future results of an investment in a Fund. A Fund's investment program should be evaluated with the understanding that there can be no assurance that the Investment Manager/Sub-Investment Manager's assessment of the short-term or long-term prospects of investments will prove accurate or that the Fund will achieve its investment objective.

Limited Liquidity of Shares in the Funds

The securities offered in this Prospectus have not been registered under the Securities Act, and may not be re-offered or re-sold unless an exemption from the registration requirements of the Securities Act is available. Shares may be mortgaged, charged or otherwise transferred only with the written consent of the Investment Manager/Sub-Investment Manager, which consent may be granted or withheld for any reason, in its sole discretion. No market exists or will exist for the Shares, and the Shares are redeemable only by the Funds and generally only on a monthly basis.

Substantial Redemptions

If there are substantial redemptions within a limited period of time, it may be difficult for a Fund to provide sufficient funds to meet such redemptions without liquidating positions prematurely at an inappropriate time or on unfavourable terms.

Umbrella Structure of the Company and Cross Liability Risk

The Funds will be responsible for paying their fees and expenses regardless of the level of their profitability. The Company is an umbrella fund with segregated liability between Funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

Risks Associated with Umbrella Cash Accounts

The Umbrella Cash Account will operate in respect of the Company rather than a relevant Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to monies held in the Umbrella Cash Account) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to

the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund. In the event that the Beneficiary Fund is unable to recoup such amounts, it may incur losses or expenses in anticipation of receiving such amounts, which in turn may adversely affect its Net Asset Value.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance on umbrella cash accounts is new and untested and, as a result, may be subject to change and further clarification. Therefore, the structure of any Umbrella Cash Account maintained by the Company may differ materially from that outlined in this Prospectus.

Risk of Securities of Other Investment Companies and Exchange-Traded Funds

Investing in securities issued by other collective investment schemes (including other investment companies) involves risks similar to those of investing directly in the securities and other assets held by the collective investment scheme or investment company. In addition, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme or investment company, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. Investing in hedge funds and other privately offered funds involves the additional risk of potentially significant volatility. Like any security that trades on an exchange, the prices of exchange traded funds and closed-end funds are subject to supply and demand and therefore may not trade at their underlying net asset value. Investments in funds that are not registered with regulatory authorities may be riskier than investments in regulated funds, because they are subject to less regulation and regulatory oversight.

Currency Risks

Changes in exchange rates between the currencies of investments held by a Fund and the Fund's Base Currency may negatively affect the value of an investment and any income received from it.

Currency Transaction Risks

A Fund may engage in foreign currency transactions in order to hedge against currency fluctuations between its underlying investments and its Base Currency. A Fund's hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, and the risk that the Sub-Investment Manager's forecast with respect to currency movements is incorrect.

With respect to the Hedged Share Classes, while the Investment Manager or Sub-Investment Manager will attempt to hedge the risk of changes in value between the Base Currency and the currency of the relevant Hedged Share Class, there can be no guarantee that it will be successful in doing so. The use

of Share Class hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting if the currency of the Hedged Share Class falls against the Base Currency.

Energy Market Risk

The Legg Mason Western Asset High Yield Credit Energy Fund invests principally in securities issued by Energy Market participants. The Energy Market is characterised by volatile pricing and is very sensitive to economic, market, regulatory or geopolitical events. Commodity and energy pricing including the global oil price and other energy related commodities can be volatile and result in issuers of debt securities being unable to meet their liabilities due to changes in pricing having a negative impact on their cash-flow and/or solvency. The Fund is therefore more exposed to these factors due to the concentration of its investments in the Energy Market and therefore the risk of significant losses is higher.

Temporary Suspension of NAV calculation

Whilst Shareholders will normally be able to realise their investment in a Fund by repurchasing their Shares or by a transfer to a third party it should be noted that the calculation of the Net Asset Value may be temporarily suspended in certain circumstances and the repurchase of Shares would be suspended in these circumstances.

Depositary Risk

The Depositary and its delegates, if any, will have custody of each Fund's securities, cash, distributions and rights accruing to the Fund's securities accounts. If the Depositary or a delegate holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or delegates. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Depositary or its delegates will eliminate custodial risk. The Funds will be subject to credit risk with respect to the Depositary and the delegates, if any.

In addition, certain of a Fund's assets may be held by entities other than the Depositary and its delegates. For example, a Fund may provide certain of its assets as collateral to counterparties or brokers in connection with derivatives contracts such as futures, swaps, forwards and certain options. If a Fund has over-collateralised derivative contracts, it is likely to be an unsecured creditor of any such counterparty or broker in the event of its insolvency.

The Funds may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging market countries. Increased risks are associated with such investments. In particular, investors should be aware that there is a heightened depositary risk for Funds which may invest in certain countries outside of the EU ("third countries") where the law of the third country requires that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in AIFMD. Accordingly such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession.

In such circumstances, the Depositary may delegate its custody duties under the Depositary Agreement to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements and the Depositary may discharge itself of liability for the loss of such financial instruments. Such discharge of liability is subject to the conditions of Article 21(14) of AIFMD being met.

Brexit Risk

In June 2016, the people of the United Kingdom voted by referendum for the United Kingdom to leave the EU. The result has led to political and economic instability, volatility in United Kingdom and

European financial markets, and a weakening of the Pound Sterling. It may also lead to weakening in consumer, corporate and financial confidence in the United Kingdom and European markets as the United Kingdom negotiates its exit from the EU (referred to as “Brexit”) and its post-Brexit relationship with the EU. This may negatively affect the value and liquidity of Funds with significant exposure to United Kingdom and/or European issuers. The negotiation of the United Kingdom’s exit may take a long time, which is likely to lead to continued uncertainty and higher volatility in the United Kingdom and EU, including the volatility of currency exchange rates. This may make it more difficult and/or expensive for the Funds to execute hedging transactions.

Depending on the outcome of the Brexit negotiations between the United Kingdom and the EU, at some point in the future the Funds may no longer be permitted to maintain registration for public sale of Shares in the United Kingdom, which could mean that the Funds will no longer be available for investment by certain United Kingdom investors.

AIFM Risk

The Company is an AIF within the scope of AIFMD. The Company has been authorised by the Central Bank as a Qualifying Investor AIF and has appointed the AIFM as its external AIFM. As a consequence, the AIFM may market the Shares of the Company to professional investors within the meaning of AIFMD in EU Member States pursuant to Article 31 and 32 of AIFMD. Given that the Shares of the Funds will be marketed within the EU, the AIFM is required to procure that the Funds comply with certain restrictions and/or meets certain conditions which may include, restrictions and/or conditions as to its liquidity profile and redemption policy and use of leverage, investments in securitisation positions, transparency, the appointment of a depositary and disclosure obligations concerning the acquisition of major holdings and control of unlisted companies.

Furthermore, the AIFM is required to meet with various organisational requirements and conduct of business rules, adopt and implement a programme of activities and various policies and procedures addressing areas such as risk management, liquidity management and remuneration, and comply with ongoing capital, reporting and transparency obligations. Such restrictions and/or conditions are likely to increase the ongoing costs borne, directly or indirectly, by the Funds. Furthermore, information on the following is required to be disclosed by way of a report to Shareholders or other means permitted under, and at the frequency required by, AIFMD: (1) the percentage of a Fund’s assets which are subject to special arrangements arising from their illiquid nature; (2) any new arrangements for managing the liquidity of the Funds; (3) the current risk profile of the Funds and the risk management systems employed by the AIFM to manage those risks; (4) any changes to the maximum level of leverage (if any) which the AIFM may employ on behalf of a Fund as well any right of the re-use of collateral or any guarantee granted under any leveraging arrangement; (5) the total amount of leverage (if any) employed by those Funds; and (6) any arrangement made by the Depositary to contractually discharge itself of liability.

Investment decisions will be made for the Funds by the AIFM. The success of a Fund will depend on the ability of the AIFM to identify suitable investments and the ability of the AIFM to dispose of such investments at a profit for the Funds. Adverse events could affect one or more of the Funds’ investments at the same time. There can be no assurance that the AIFM will be successful in this regard.

Cyber Security Risk

With the increased use of technologies such as the internet and other electronic media and technology to conduct business, the Company, each Fund and the Company’s service providers and their respective operations are susceptible to operational, information security and related risks including cyber security attacks or incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems, networks or devices (e.g., through “hacking” or malicious software coding) for purposes of

misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Cyber security failures or breaches affecting the Company, a Fund and/or the Company's service providers, and the issuers of securities in which the Funds invest, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, shutting down, disabling, slowing or otherwise disrupting operations, business process or website access functionality, interference with a Fund's ability to calculate its NAV, impediments to trading, the inability of Fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs, the loss of proprietary information, suffer data corruption. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. Similar adverse consequences could result from cyber security attacks, failures or breaches affecting issuers of securities in which the Funds invest, counterparties with which the Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Fund shareholders) and other parties. In addition, substantial costs may be incurred in order to try to prevent any cyber incidents in the future.

Taxation Risk

Potential investors should be aware of the taxation risks associated with investing in the Funds. Please see the section headed "Taxation."

Risk of U.S. Withholding Tax

The Company (or each Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements under FATCA designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to U.S. withholding taxes on certain U.S.-source income and gains beginning in 2014. Alternatively, pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Taxpayer information directly to the Irish government. Shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (or each Fund). See "Foreign Account Tax Compliance Act" under "United States Taxation" below.

The foregoing description of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective shareholders should read this entire Prospectus and consult with their own advisers before deciding whether to invest in a Fund.

FEES AND EXPENSES

General

Each Fund and each Class shall pay all of its expenses and its due proportion of any expenses allocated to it which may include the costs of (i) maintaining the Company and registering the Company and the Shares with any governmental or regulatory authority or with any regulated market, (ii) management, administration, trustee, custodial and related services, (iii) paying agent and distributor fees and expenses which shall be at normal commercial rates (iv) preparation, printing and posting of prospectuses, sales and marketing literature, reports to Shareholders, the Central Bank and governmental agencies, (v) taxes, (vi) commissions and brokerage fees, (vii) auditing, tax and legal fees, (viii) insurance premiums and (ix) other operating expenses. Other operating expenses may include, but are not limited to, fees payable to subsidiaries of Legg Mason or other service providers for the provision of: governance support and reporting to the Board; an anti-money laundering reporting officer to the Company; insurance services to the Board; and ongoing registration services for jurisdictions where the Funds are publicly offered. Such expenses are in addition to the management fee.

The costs of establishing the Company and each of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund and the Legg Mason Western Asset Senior Loans Fund will be borne by the Company and may be amortised on a straight line basis over a period of up to five years. These expenses did not exceed USD200,000.

The costs of establishing the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Western Asset Asset High Yield Credit Energy Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund will be borne by the Funds and may be amortised on a straight line basis over a period of up to five years. These expenses are not expected to exceed USD22,500 per Fund.

Directors' Fees

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. The aggregate amount of Directors' remuneration will not exceed €50,000 per annum. Directors' fees are not payable in respect of Joseph Carrier, Jaspal Sagger or William Jackson, who are employees of the Investment Manager or its affiliates. The Directors shall also be entitled to be reimbursed out of the assets of the Company for all travelling, hotel and other reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or any meetings in connection with the business of the Company.

Fees Payable to the AIFM

For the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Senior Loans Fund, Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund and the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund, the AIFM will receive from the Company an annual management fee which shall correspond to the annual investment management fee payable to the Investment Manager by the AIFM as set out below. For the Western Asset European Loan Fund, the annual management fee received from the Company shall be as set out in Schedule 1. The AIFM shall be responsible for discharging the annual investment management fee payable to the Investment Manager, as set out below, out of its annual management fee.

Fees Payable to the Investment Manager

Annual Investment Management Fee

Institutional Share Class

The Investment Manager will receive from the AIFM an annual investment management fee (the “Investment Management Fee”) as set out in Schedule 1. The Investment Management Fee shall accrue on each Valuation Day and shall be payable monthly in arrears.

LM Share Class

No investment management fees are payable by the Company out of the assets of the applicable Fund in respect of the LM Share Class. Instead the LM Share Class is designed to accommodate an alternative charging structure whereby the investor agrees to pay an investment management fee directly to the Investment Manager pursuant to a separate agreement with the Investment Manager which each such investor must enter into prior to their initial subscription for the LM Share Class in a Fund.

The Investment Manager shall discharge the fees and out-of-pocket expenses of the Sub-Investment Manager.

Out-of-pocket Expenses Incurred by the Investment Manager

The Investment Manager shall also be entitled to be reimbursed by the Company for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Company in the performance of its duties managing the Company and distributing the Shares pursuant to the Investment Management Agreement.

Administrator’s Fee and Depositary’s Fee

The Administrator is entitled to receive from the Funds an administration fee in the amount set out below. The Company will pay the Administrator this administration fee for and on behalf of the Funds.

The Depositary is entitled to receive from the Funds a depositary fee in the amount set out below. The Company shall pay the Depositary this depositary fee for and on behalf of the Funds.

The combined administration and depositary fee will not exceed 0.15% per annum of the Net Asset Value of the Funds or such other fee as may be agreed in writing between the Administrator, the Depositary, the AIFM and the Company and notified to Shareholders. The Administrator and the Depositary are responsible for certain categories of their out-of-pocket expenses as specified in a side agreement to the Depositary Agreement. The Company will be responsible for reimbursing the Administrator and the Depositary for other out-of-pocket expenses. The Company shall also reimburse the Depositary for sub-custodian fees which shall be charged at normal commercial rates.

The combined administration and depositary fee and expenses accrue on each Valuation Day and are payable monthly in arrears.

ADMINISTRATION OF THE COMPANY

Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share for each Share Class of each Fund as of the Valuation Point in accordance with the Articles. The Net Asset Value per Share in each Fund shall be calculated by dividing the assets less its liabilities, by the number of Shares in issue in respect

of that Fund. Any liabilities of the Company, which are not attributable to any Fund, shall be allocated pro rata amongst all of the Funds. Where a Fund is made up of more than one Share Class, the Net Asset Value of each Share Class shall be determined by calculating the amount of the Net Asset Value of the Fund attributable to that Share Class.

The amount of the Net Asset Value of a Fund attributable to a Share Class shall be determined by establishing the number of shares in issue in the Share Class as at the Valuation Point and by allocating relevant Share Class expenses to the Share Class and making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share of a Share Class shall be calculated by dividing the Net Asset Value of the Fund attributable to the Share Class by the number of Shares in issue in that Share Class as at the Valuation Point (adjusted to the nearest whole unit of the Base Currency).

In determining the value of the assets of a Fund, each security which is traded on a regulated market will be valued on the regulated market which is normally the principal market for such security on the basis of the latest available middle market price as at the Valuation Point.

In the case of unlisted securities or any assets traded on a regulated market, but in respect of which a price or quotation is not available at the time of valuation which would provide a fair valuation, the value of such asset shall be estimated with care and in good faith by a competent person selected by the Directors and approved for that purpose by the Depositary and such value shall be determined on the basis of the probable realisation value of the investment.

Notwithstanding the foregoing, the Administrator may use a systematic fair valuation model provided by an independent third party approved by the Depositary to value equity securities and/or fixed income securities in order to adjust for stale pricing which may occur between the close of foreign exchanges and the Valuation Point.

Cash and other liquid assets will be valued at their face value with interest accrued (if any) to the Valuation Point. Investments in collective investment schemes shall be valued on the basis of the latest available net asset value for the shares or units in the collective investment scheme.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value. The Company may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Directors or by an independent pricing vendor. The Company must value over the counter derivatives on a monthly basis. Where the Company values over the counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over the counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least monthly. Forward foreign exchange contracts shall be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken as of the Valuation Point.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Company and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received.

Where applicable, values shall be converted into the Fund's Base Currency at the exchange rate applicable as of the Valuation Point.

Dilution Adjustment

The actual costs of purchasing or selling the underlying investments in a Fund may be higher or lower than the prices used in calculating the Net Asset Value per Share. These costs may include dealing charges, commissions, taxes, dealing spreads and market impact. In order to protect existing Shareholders from the negative impact of these costs (which is known as "dilution"), the Company may charge a dilution adjustment when there are net inflows into a Fund or net outflows from a Fund. The dilution adjustment adjusts the Net Asset Value per Share (which is the price of a Share in the Fund) above or below that which would have resulted from a valuation based solely on the value of the Fund's net assets.

The charging of a dilution adjustment may either reduce the redemption price or increase the subscription price of the Shares in a Fund. Where a dilution adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net redemptions. The charging of a dilution adjustment on the initial offer price may similarly be applied at the launch of any new Share Class in a Fund that is already established and will have the effect of reducing the number of Shares issued. Dilution adjustments may apply in the normal manner on the closing of an individual Shares Class but will not be applied at the closure of a Fund.

On any Valuation Day, the Company may make a dilution adjustment:

- i) if net subscriptions or redemptions (excluding in specie transfers) exceed certain pre-determined percentage thresholds relating to a Fund's Net Asset Value (where such percentage thresholds have been pre-determined for each Fund from time to time by the Directors or their delegate); or
- ii) in any other case where the Directors or their delegate reasonably believe that it is in the interests of Shareholders to impose a dilution adjustment.

The dilution adjustment for each Fund will be calculated by reference to the typical costs of dealing in the underlying investments of that Fund, including any dealing spreads, market impact, commissions and transfer taxes. These costs can vary over time and as a result the amount of dilution adjustment will also vary over time.

The amount of the dilution adjustment will be applied in an identical manner to all Share Classes of a Fund on a particular Valuation Day.

Application for Shares, Minimum Investment and Currency of Investment

The Funds currently offer the Share Classes set out in Schedule 1. Applicants should ensure that they only subscribe for the Class of Shares available to them. An application for Shares may only be made

on the terms of this Prospectus. The minimum initial investment and the minimum additional subscription amounts are set out in Schedule 1. The Directors may in their sole discretion accept initial subscriptions in lesser amounts provided that, except in the case of a Knowledgeable Investor, the minimum subscription shall in no case be less than €100,000 or the U.S. Dollar equivalent thereof.

All investors applying for Shares for the first time must complete the application form accompanying this Prospectus. Shareholders applying for further Shares must complete an additional subscription request form. In addition, in the case of an application for the LM Share Class, applicants must confirm that they are LM Investors and have an agreement in place with the Investment Manager covering the charging structure relevant to the investor's investment in such Shares.

Application forms and additional subscription request forms may be received by facsimile means in accordance with the Central Bank's requirements. Where an initial application form has been received by facsimile, the original signed application form must be received promptly along with any supporting documentation required to prevent money laundering. Subsequent facsimile subscription requests into a Shareholder's account may be processed without the need to submit original signed documentation. Amendments to a Shareholder's registration details and payment instructions will only be effected upon receipt of original documentation.

Subject to certain limited circumstances where the Directors may suspend the issue of Shares in a Fund, eligible investors may subscribe for and purchase Shares of a Fund on each Dealing Day, provided that a completed application form (or additional subscription request form in the case of additional subscriptions) is received by the Administrator no later than the Dealing Cut-Off Time.

Unless otherwise agreed with the Administrator settlement for subscriptions for Shares in the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset High Yield Credit Energy Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund is due in cleared funds within three (3) Business Days after the relevant Dealing Day.

Unless otherwise agreed with the Administrator, settlement for subscriptions for Shares in the Legg Mason Western Asset India Bond Fund is due in cleared funds within one (1) Business Day after the relevant Dealing Day.

Applications received by the Administrator by the Dealing Cut-Off Time, if accepted, will be dealt with at the Net Asset Value of the relevant Fund calculated on the relevant Valuation Day. Applications received by the Administrator after the Dealing Cut-Off Time, will, if accepted, be dealt with at the Net Asset Value calculated on the next succeeding Valuation Day.

To facilitate prompt investment, an initial subscription may be processed upon receipt of faxed instruction and Shares may be issued. However, the original completed application form must be received promptly by the Administrator. No redemption payment may be made from that holding until the original application form has been received by the Administrator and all necessary anti-money laundering checks have been completed.

Shares may be purchased by payment of cash (by wire transfer of funds to the account of the Fund) or, with the consent of the Directors, with in-kind consideration. The Investment Manager will accept an in-kind purchase only if it determines, in its sole discretion, that the property proposed to be delivered in payment constitutes an appropriate investment for the Fund. Each Fund reserves the right to accept or reject a potential investor for any reason or for no reason, in the sole discretion of the Directors.

Applicants will be obliged to certify that they are Qualifying Investors and that they are aware of the risks of investing in the Shares. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and U.S. taxation.

Subject to the section “Transfer of Shares” below, applicants will also be obliged to certify whether they are Irish Residents. The Administrator reserves the right to request further details or evidence of identity from an applicant for Shares. In this regard, investors should take into account the considerations set out in the section entitled “Taxation”. The Administrator reserves the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within seven days of the date of such application.

Once an application for Shares is accepted by the Company, a contractual relationship is formed between the investor and the Company by way of the application form. The application form is governed by Irish law and is subject to the exclusive jurisdiction of the Irish courts. In Ireland, Council Regulation (EC) No 44/2001 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial matters (the “Brussels I Regulation”), as implemented into Irish law by the European Communities (Civil and Commercial Judgments) Regulations 2002, provides for the recognition and enforcement of judgments within the EU while the recognition and enforcement of judgments in any countries not provided for in the Brussels I Regulations is governed by treaties between Ireland and the relevant country or Ireland’s common law rules of private international law in relation to this matter.

The Company may determine not to close the Initial Offer Period of a Share Class until the Company or the Investment Manager believes that a sufficient number of Shares have been subscribed for to allow for efficient management of the Share Class.

Anti-Money Laundering Procedures

Measures aimed at the prevention of money laundering will require an applicant to verify his identity (and source of wealth and source of funds) to the Administrator or the Investment Manager. The Administrator will not accept funds from an investor until verification of identity (and source of wealth and source of funds) is completed to its satisfaction.

Notwithstanding that funds have come from a designated body within a prescribed country recognised by Ireland as having equivalent anti-money laundering regulations, evidence of identity (and source of wealth and source of funds) must be established in accordance with the relevant anti-money laundering requirements which are advised to clients prior to application.

By way of example, an individual will be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with evidence of his address such as a utility bill or bank statement. In the case of corporate applicants, this will require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), or trust deed in the case of a trust and the names and addresses of all directors, trustees and/or beneficial owners.

The Administrator reserves the right to request such documentation as is necessary to verify the identity (and source of wealth and source of funds) of the applicant. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which the applicant initially wished to have Shares issued to him.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be held harmless by the subscriber against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

Subscription Price

During the Initial Offer Period, Shares in a Fund are available for issue at the price per Share set out in Schedule 1. All subsequent purchases of Shares of a Fund, whether by existing Shareholders or new investors, shall be at an offering price per Share equal to the Net Asset Value per Share as of the

applicable Dealing Day. A dilution adjustment may be payable to the Fund on subscriptions for Shares in a Fund.

Written Confirmation of Ownership

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. A contract note or other form of written confirmations of ownership will be sent to the relevant Shareholder confirming ownership of the number of Shares issued to that Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection at the registered office of the Company during normal business hours.

Redemption Requests

Subject to certain limited circumstances where a Fund may suspend redemptions, Shareholders may request that Shares be redeemed on any Dealing Day by contacting the Administrator and completing the redemption request form and forwarding it to the Administrator. Requests to redeem Shares of a Fund must be received by the Administrator in writing by the Dealing Cut-Off Time in order for such redemption request to be effective on the next Valuation Day. The Directors may, in their discretion, agree to waive the Dealing Cut-Off Time; provided, however, that redemption requests must be received no later than the Valuation Point. Unless the Dealing Cut-Off Time is waived by the Directors, redemption requests received by the Administrator prior to the Dealing Cut-Off Time shall be dealt with on the relevant Valuation Day at the Net Asset Value per Share determined by the Administrator on such Valuation Day. Redemption requests received after the Dealing Cut-Off Time shall be dealt with at the applicable Net Asset Value per Share next determined by the Administrator on the next Valuation Day.

Redemption requests may be received by facsimile in accordance with the Central Bank's requirements. Where a subscription form has been received by facsimile, no repurchase payment may be made from the holding until the original signed subscription form has been received from the Shareholder along with all documentation required by the Company, including any documents required in connection with the obligation to prevent money laundering and all the anti-money laundering procedures have been completed. Redemptions will not be processed on accounts that are not cleared or that are unverified. Redemption requests received by facsimile will only be processed where payment is to be made to the account of record.

If total redemption requests on any Dealing Day exceed 10% of the Net Asset Value in a Fund calculated on the relevant Valuation Day, the Directors may in their discretion refuse to redeem any Shares in excess of 10%. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

A Shareholder may not make a partial redemption of Shares which would result in that Shareholder, except in the case of a Knowledgeable Investor, holding less than €100,000 or the U.S. Dollar equivalent thereof.

Once a redemption request has been received by the Administrator, it cannot be withdrawn or cancelled unless the Directors agree to such withdrawal or cancellation.

Redemption Price

Shares shall be redeemed at the applicable Net Asset Value per Share determined on the relevant Valuation Day on which redemption is effected. A dilution adjustment may be payable to the Fund on redemptions of Shares in a Fund.

All payments of redemption monies shall be made by wire transfer at the Shareholder's expense to the Shareholder's account specified in the application form or as otherwise agreed to in writing. Settlement for redemptions of Shares will normally be made, in respect of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund and the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund, within three (3) Business Days from the Dealing Day on which the redemption request is effective, in respect of the Legg Mason Western Asset India Bond Fund, normally within five (5) Business Days from the Dealing Day on which the redemption request is effective and, in respect of the Legg Mason Western Asset Senior Loans Fund and the Western Asset European Loan Fund, normally within ten (10) Business Days from the Dealing Day on which the redemption request is effective, provided that the Administrator has received all correct redemption documentation. However, in exceptional circumstances, settlement of redemptions in respect of the Legg Mason Western Asset Senior Loans Fund and the Western Asset European Loan Fund may be paid within twenty (20) Business Days of the relevant Dealing Day, unless payment has been suspended in the circumstances described under the section "Temporary Suspension of Valuation of Shares and of Sales and Redemptions".

Redemption in specie is at the discretion of the Directors and with the consent of the redeeming Shareholder. Asset allocation is subject to the approval of the Depositary. A determination to provide redemption in specie may be made solely at the discretion of the Directors where a redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of the Company. In this event the Directors will, if requested, sell the assets on behalf of the Shareholder and the proceeds of the sale shall be transmitted to the Shareholder.

Mandatory Redemption of Shares and Forfeiture of Dividend

If a redemption causes a Shareholder's holding in the Company to fall below €100,000 or the U.S. Dollar equivalent thereof the Company may, except in the case of a Knowledgeable Investor, redeem the whole of that Shareholder's holding. Before doing so, the Company shall notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a person if the holding of the Shares by such person may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the relevant Fund or the Shareholders as a whole.

The Company may redeem Shares where during a period of six years no cheque in respect of any dividend, if applicable, on the Shares has been cashed and no acknowledgement has been received in respect of any share certificate or other confirmation of ownership of the Shares sent to the Shareholder and require the Funds to hold the redemption monies in a separate interest bearing account which shall be a permanent debt of the Fund. The Articles of Association also provide that any unclaimed dividends shall be forfeited automatically after six years from the date on which it first became payable and on forfeiture will form part of the assets of the Company.

Liquidity Risk Management

The AIFM employs an appropriate liquidity management system on behalf of the Company and has adopted documented procedures which enable it to monitor the liquidity risk of the Funds and ensure that the liquidity profile of the Funds' investments enable the Company to meet redemption requests in normal circumstances. In addition, there are procedures that allow the Company to manage its liquidity in exceptional circumstances. The AIFM's liquidity management procedures in respect of the Company are reviewed on at least an annual basis.

Stress testing is conducted on an ongoing basis under normal and exceptional liquidity conditions, having regard to a range of issues, including each Fund's investment strategy, the fact that Shares may not be purchased or held by persons who are not Qualifying Investors and the fact that the Company provides for weekly dealing in respect of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, fortnightly dealing in respect of the Legg Mason Western Asset High Yield Credit Energy Fund and daily dealing in respect of the Legg Mason Western Asset Senior Loans Fund, Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund.

Transfer of Shares

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof. The Directors shall decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee, except in the case of a Knowledgeable Investor, would hold less than €100,000 or the U.S. Dollar equivalent thereof in the Company or would cease to be a Qualifying Investor or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration as to whether the proposed transferee is an Irish Resident or a Qualifying Investor.

Risks Associated with delays in providing complete Customer Due Diligence

Investors should note that there is a risk that any delay in providing a signed copy of the application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Shares not being issued on the Dealing Day on which the applicant initially wished to have Shares issued.

Umbrella Cash Accounts

Cash accounts arrangements will be put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to the subscription and/or redemption collection accounts pursuant to the Investor Money Regulations 2015. The Investor Money Regulations are to take effect from 1 July 2016. The following is a description of how such cash accounts arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders (together, "Investor Monies") will be held in a single Umbrella Cash Account in respect of a particular currency. The assets in the Umbrella Cash Account will be assets of the Company (for the relevant Fund).

If subscription monies are received by a Fund in advance of the issue of Shares (which occurs on the relevant Dealing Day), then such monies will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the

Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account, and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the “Special Considerations and Risks” section herein.

Withholdings and Deductions

The Company will be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee’s residency or status in the form prescribed by the Revenue Commissioners.

Dividends

The dividend policy of the Share Classes is set out in Schedule 1.

The Accumulating Share Classes shall not distribute dividends to the Shareholders. The income and other profits will be accumulated and reinvested on behalf of Shareholders.

The Distributing Share Classes are expected to declare dividends to the Shareholders monthly with the exception of the Distributing Share Classes of the Legg Mason Western Asset High Yield Credit Energy Fund which is expected to declare dividends to Shareholders quarterly. Dividends will normally be paid within 3 Business Days of the relevant declaration date. Shareholders of the Distributing Share Classes may elect in their application form to invest dividends in additional Shares. In the absence of such an election, the distributed dividends will be paid by electronic transfer to the bank account detailed in the application form or as subsequently notified to the Administrator in writing.

The Distributing Share Classes of the Funds may charge fees and expenses to capital. It should be noted that the declaration of distributions in Funds which charge fees and/or expenses to capital rather than income could result in the erosion of future capital growth in those Funds and that increased income will be achieved by foregoing some of the potential for future capital growth. Any income statement issued, will include a statement explaining that: (i) the reason for charging these fees and expenses against capital is to seek to increase the amount of distributable income but this may be achieved by foregoing the potential for future capital growth; (ii) this will have the effect of lowering the capital value of your investment; and (iii) on redemptions of holdings, Shareholders may not receive back the full amount invested.

Publication of the Net Asset Value per Share

Except where the determination of the Net Asset Value per Share has been suspended in the circumstances described below, the Net Asset Value of the Shares in a Fund shall be available on each Dealing Day at the registered office of the Administrator. Such information is for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

Temporary Suspension of Valuation of Shares and of Sales and Redemptions

The Directors may temporarily suspend the determination of the Net Asset Value of a Fund and the sale or redemption of Shares during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when any emergency exists as a result of which disposal by a Fund of investments which constitute a substantial portion of the assets of a Fund is not practically feasible;
- (iii) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly or accurately ascertained by a Fund;
- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (v) any period when the proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account; or
- (vi) any period when a notice to terminate a Fund has been served or when a meeting of Shareholders has been convened to consider a motion to terminate a Fund.

Any such suspension shall be notified immediately to the Central Bank.

MANAGEMENT AND ADMINISTRATION OF THE COMPANY

The Board of Directors of the Company

The Board of Directors of the Company is responsible for managing the business affairs of the Company in accordance with the Constitution. The Directors have delegated certain functions to the AIFM, the Investment Manager and other parties, subject to supervision and direction by the Directors.

The Directors are listed below with their principal occupations. The Company has delegated the day to day management and administration of the Company to the AIFM and the Administrator, respectively, and, consequently, none of the Directors is an executive director of the Company. The address of the Directors is the registered office of the Company.

Directors and Secretary

Joseph Carrier (United States) is the Chief Risk Officer and Chief Audit Executive for Legg Mason, Inc ("Legg Mason"). Prior to joining Legg Mason, he was Vice President and Division Head of Investment Operations at T. Rowe Price and Treasurer and Principal Financial Officer of the T. Rowe Price Mutual Funds. Before joining T. Rowe Price, he served as the Industry Chairman for Coopers & Lybrand's Investment Management practice in the United States. He has also served as Assistant Chief Accountant in the Division of Investment Management with the SEC. Mr. Carrier is the Chairman of

the Investment Company Institute's Risk Management Committee, a former member of the Investment Companies Expert Panel of the AICPA, and the immediate past chair of the Accounting\Treasurer's Committee of the Investment Company Institute. He was also a member of the AICPA's Investment Companies Committee from 1994-1997 and a contributing author to the Audit and Accounting Guide for Investment Companies.

Fionnuala Doris (Irish) is an accounting lecturer in the Department of Economics, Finance and Accounting in Maynooth University, Ireland. Prior to joining Maynooth University, Ms. Doris was Financial Controller and Company Secretary of Temple Bar Properties Ltd, Dublin from 1999 to 2001. She trained with PricewaterhouseCoopers, Dublin from 1993 to 1996 and worked as an Audit Manager in their Asset Management group until 1999 where she specialised in the audit of UCITS funds. Ms. Doris holds a BA (Hons) in Economics from University College Dublin (1992), a Postgraduate Diploma in Accounting from Dublin City University (1993) and is a Fellow of the Institute of Chartered Accountants in Ireland. She is also a director of Legg Mason Investment Funds Limited.

Joseph Keane (Irish) provides consultancy services to the mutual and hedge fund industry and acts as an independent director to fund companies. From March 2004 through April 2007, he was Chief Financial Officer of the Vega Hedge Fund Group. In 2002, he founded CFO.IE, and he acted as its Chief Executive Officer through February 2004. He was Head of Operations for SEI Investments, Global Fund Services from 2000 to 2002 and prior to that Managing Director of ABN AMRO Trust Company (Cayman) in the Cayman Islands from 1995 to 2000. He is a Fellow of the Institute of Chartered Accountants in Ireland. Mr. Keane has thirty years' experience in investment funds' management and administration, banking and public accounting.

Joseph LaRocque (United States) provides US tax consultancy services on behalf of Towson Tax and Consulting in Towson, Maryland, USA. He also acts as a director to fund companies. He is the Chairman of the Board and a former Managing Director in charge of Affiliate Strategic Initiatives at Legg Mason. Mr. LaRocque worked for Legg Mason from 2001 until July 2019. He is a Certified Public Accountant and from 1991 to 2001 was employed by PricewaterhouseCoopers in Boston, Massachusetts, Dublin, Ireland and Baltimore, Maryland in several capacities, most recently as a Senior Manager in their global financial services practice.

William Jackson (United Kingdom) is Chief Administration Officer for Technology & Operations at Franklin Templeton. He is a director of a number of Franklin Templeton corporate entities, including the AIFM, and fund entities based in the UK and Luxembourg. Mr Jackson joined Franklin Templeton in 1999 as Head of European Fund Accounting and progressed to Head of International Fund Accounting in 2002. From 2005 to 2008, he was Managing Director for Franklin Templeton International Services in Luxembourg and from 2011 to 2013 Mr Jackson was President of Franklin Templeton International Services based in Hyderabad. Prior to joining Franklin Templeton, Mr Jackson spent nine years with Fleming Asset Management in Edinburgh and Luxembourg. Mr Jackson earned his degree in industrial chemistry from Paisley College and is a member of The Chartered Institute of Management Accountants.

Jaspal Sagger (United Kingdom) is the Head of Global Product Strategy and Development for Legg Mason Global Asset Management responsible for product-related activities globally. Mr. Sagger joined Legg Mason in February 2014, as Head of International Product Strategy, and assumed the role of Head of International Product in January 2016. Mr. Sagger is also a Director of Legg Mason Investment Funds Limited. Previously, Mr. Sagger was Head of Product, EMEA and Head of Product Strategy at HSBC Global Asset Management, and was a member of the HSBC Asset Management's European Executive Committee. He has a BA (Hons) in Business Studies and a Masters in International Banking and Finance from the London Metropolitan University.

Jane Trust (United States) is a Senior Managing Director at Legg Mason. She acts as the Trustee, President and Chief Executive Officer of Legg Mason-sponsored funds domiciled in the US. She has worked at various roles in the Legg Mason group for over 25 years, including senior investment roles within Legg Mason Capital Management ("LMCM") and Legg Mason Investment Counsel ("LMIC").

Ms. Trust was an Institutional Portfolio Manager for LMCM, managing accounts on behalf of sovereign wealth funds, pension plans, public funds and mutual funds. At LMIC, Ms. Trust was Head of Investments, supervising a team of equity and fixed income portfolio managers and overseeing the firm's trading desk. Ms. Trust received an AB in Engineering Sciences from Dartmouth College and a Master of Administrative Science in Finance from The Johns Hopkins University She is a CFA® charterholder.

No Director of the Company or the AIFM has:

- (i) any unspent convictions in relation to indictable offences;
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director;
- (iii) been a director of any company which, while he was a director with an executive function or within twelve months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors;
- (iv) been a partner of any partnership, which while he was a partner or within twelve months after he ceased to be partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Company Secretary is Bradwell Limited.

For the purposes of this Prospectus, the address of each of the Directors is the registered office of the Company. The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

The AIFM

The AIFM is Franklin Templeton International Services S.à r.l. The AFIM was appointed pursuant to

the AIFM Agreement as transferred to Franklin Templeton International Services S.à r.l by operation of law following the merger of Legg Mason Investments (Ireland) Limited into Franklin Templeton International Services S.à r.l. The AIFM is incorporated in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier. It is a part of Franklin Templeton Investments. Franklin Templeton Investments provides investment management and advisory services to a worldwide client base. The AIFM also currently acts as AIFM of Legg Mason China Funds, which is also authorised by the Central Bank as a Qualifying Investor AIF.

The directors of the AIFM are Craig Blair, Bérengère Blaszczyk, Paul Brady, Paul Collins, William Jackson, and Gwen Shaneyfelt.. The directors of the AIFM who are not directors of the Company and their principal occupations are set forth below. Biographies of the directors of the AIFM who are also Directors of the Company are set out above under the heading “Directors and Secretary”.

Craig Blair is a conducting officer and director of the AIFM. Mr Blair joined Franklin Templeton in 2004 where he held a number of roles within the organisation in fund administration. Mr Blair holds an MBA from Manchester Business School, is a Member of the Chartered Institute of Management Accountants and holds a Law degree from Leicester University.

Berengere Blaszczyk is Head of Distribution France-Benelux at Franklin Templeton, manager of the Belgium and Dutch branches of FTIS S.à r.l. and Conducting Officer of Franklin Templeton France SA. Ms Blaszczyk joined Franklin Templeton in 2002 where she held a number of roles within the organisation, in marketing and communications, investor education, sales and sales support management. She started her career in asset management in 2000, after obtaining a BA in Business administration and international affairs from HEC Liège.

Paul Brady is Operations Director of Franklin Templeton Global Investors Limited, Edinburgh Partners Ltd. and the AIFM, which are subsidiaries of Franklin Resources Inc. Mr. Brady has specific responsibilities for the International Transfer Agent, which includes service and operations in 15 locations worldwide. He is also responsible for all UK operations from a regulatory and oversight perspective. He is based in London, UK. Mr. Brady joined Franklin Templeton in 2001 to lead the international transfer agent. Prior to joining Franklin Templeton, Mr. Brady worked for The Bank of New York based in London and Edinburgh. He worked for this company and its predecessor organisations for 15 years gaining extensive mutual fund experience in operations, client service, product development and systems development. His final position was vice president of operations and service responsible for the Bank of New York’s mutual fund administration business in Edinburgh, Scotland.

Paul Collins is Head of Equity Trading EMEA for Franklin Templeton Investments based in Edinburgh, Scotland. Mr Collins has been with Franklin Templeton since 2003 and manages a team of 11 Traders in Edinburgh and Dubai. Mr Collins began his career with Baillie Gifford & Co in 1991 before moving to Aegon Asset Management in 1997.

Gwen Shaneyfelt is responsible for global corporate accounting, accounting policy, financial reporting, taxation and transfer pricing for Franklin Templeton Investments. Mrs. Shaneyfelt has devoted her career to the financial services industry and has spent more than 20 years in the investment management industry. From 2006 through 2011, she served as chairman of the ICI Tax and Advisor/Distributor Tax committees. Prior to joining Franklin Templeton, Mrs. Shaneyfelt was Executive Director of Tax at Morgan Stanley Investment Management where she was responsible for all corporate and fund tax matters for the Investment Management Division. In addition to Morgan Stanley, Mrs. Shaneyfelt’s investment services career includes senior tax positions at Van Kampen Investments and KPMG Peat Marwick where she was Senior Tax Manager. Mrs. Shaneyfelt holds a BS in Accountancy from Northern Illinois University. She is an Illinois Certified Public Accountant in the State of Illinois.

Pursuant to the AIFM Agreement, the Company has appointed the AIFM as alternative investment fund manager of the Company within the meaning of AIFMD and to carry out the investment management, administration and marketing functions as set out in Annex I to AIFMD and the AIFM Agreement in

relation to the Company. In addition, the Company has delegated to the AIFM all powers, duties and discretions exercisable in respect of the functions provided for in the AIFM Agreement.

The AIFM Agreement provides that the AIFM will be liable to the Company for any losses, liabilities, actions, proceedings, claims, costs and expenses (individually a “Loss”, collectively “Losses”) sustained by reason of its negligence, fraud, bad faith, wilful default or recklessness in respect of its obligations and duties under the AIFM Agreement. The Company shall indemnify and hold harmless the AIFM and each of its directors, officers and authorised agents against all or any Losses (including without limitation reasonable legal fees and expenses) arising from the breach of the AIFM Agreement by the Company in the performance of its duties or which otherwise may be suffered or incurred by the AIFM in the performance of its duties save where such Losses arise due to the negligence, fraud, bad faith, wilful default or recklessness of the AIFM, its directors, officers or authorised agents.

The AIFM Agreement may be terminated by either the Company or the AIFM by giving the other party not less than ninety (90) days’ notice in writing. The AIFM Agreement may be terminated by any party thereto with immediate effect by notice in writing to the other party if at any time: (i) the other party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first-mentioned party) or be unable to pay its debts or commit any act of bankruptcy under applicable law or if a receiver is appointed over any of the assets of such other party or if some event having an equivalent effect occurs; (ii) the other party ceases to be permitted to perform its duties under any applicable laws or regulations; (iii) the other party shall commit any material breach of the AIFM Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring the same to be remedied; or (iv) an examiner, administrator or similar person is appointed to the other party. In the event of the AIFM desiring to retire or being removed as the Company’s alternative investment fund manager, the Company shall use its reasonable endeavours to find a corporation willing to act as alternative investment fund manager who must be approved by the Central Bank to act as an alternative investment fund manager and upon so doing the Company shall appoint such corporation to be alternative investment fund manager in place of the AIFM. If within a period of ninety (90) days (or such other reasonable period as may be determined by the Directors) from the date on which the AIFM notifies the Company of its desire to retire from its appointment as alternative investment fund manager, or from the date on which the AIFM ceases to be approved to act as alternative investment fund manager by the Central Bank, no replacement shall have been appointed and the Company is not capable of acting as an internally-managed AIF, the Directors may resolve to redeem all of the Shares or the secretary of the Company, at the request of the Directors, shall forthwith convene an extraordinary general meeting of the Company, at which there shall be proposed a resolution to wind up the Company and if a resolution is passed to wind up the Company a liquidator shall be appointed to distribute the assets of the Company in accordance with the Articles of Association. The Company and the AIFM acknowledge and agree that the Central Bank may at its discretion replace the AIFM with another alternative investment fund manager.

The AIFM has established, implemented and maintains a remuneration policy which meets the requirements of, and complies with the principles set out in, Schedule 2 of the AIFMD Regulations and the ESMA Remuneration Guidelines, ESMA/2016/579 (the “Remuneration Guidelines”).

The AIFM’s remuneration policy applies to staff whose professional activities might have a material impact on the risk profile of the AIFM or the Company and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers. The AIFM’s remuneration policy is accordingly consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds.

The AIFM ensures that sound and prudent remuneration policies exist and are not circumvented. The AIFM ensures that the Investment Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under EU directives, regulations and guidelines on

remuneration (the “Remuneration Rules”) or that it has appropriate contractual arrangements with the Investment Manager to ensure that there is no circumvention of the Remuneration Rules. The Investment Manager will, in turn, ensure that any Sub-Investment Manager it delegates investment management functions to complies with the Remuneration Rules. In all cases, some of the remuneration requirements can be disapplied by Investment Manager and/or Sub-Investment Manager based on proportionality as permitted by the Remuneration Rules.

Further information on the current remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the compensation committee is available <http://www.franklintempleton.lu>. A paper copy of this information is available free of charge upon request from the AIFM.

To cover potential professional liability risks resulting from its activities as AIFM, the AIFM shall maintain additional own funds in accordance with the requirements of AIFMD which is appropriate to the risks covered.

The Investment Manager

Western Asset Management Company Limited

Pursuant to the Investment Management Agreement, Western Asset Management Company Limited has been appointed by the AIFM and the Company as delegate investment manager and distributor of the Funds. The Investment Manager is an indirect wholly-owned subsidiary of Legg Mason, and is organised under the laws of England and Wales. The Investment Manager is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”) and is authorised and regulated by the Financial Conduct Authority of the United Kingdom. The Investment Manager specialises in providing investment advice in investing in fixed income investments. It currently serves as investment adviser to institutional accounts, such as corporate pension plans, mutual funds and endowment funds, as well as to individual investors.

The terms relating to the appointment of the Investment Manager as delegate investment manager and distributor of the Funds are set out in the Investment Management Agreement between the Company, the AIFM and the Investment Manager. The Investment Management Agreement provides that the Investment Manager shall be responsible for the investment and reinvestment of the assets of the Funds with a view to achieving the stated investment objectives and policies of the Funds. The Investment Manager shall comply at all times with the investment restrictions of the Funds and shall ensure that within its organisation the tasks of portfolio management and risk management are separate from each other functionally and hierarchically. In addition, the Investment Manager in its role as distributor is also responsible for marketing, promoting, offering and arranging for the sale and redemption of Shares of the Company subject to the terms and conditions of the Investment Management Agreement and this Prospectus and in accordance with the instructions of the Company.

The Investment Manager will be liable to the AIFM for any losses, liabilities, actions, proceedings, claims, costs and expenses (individually a “Loss”, collectively “Losses”) sustained by reason of its negligence, fraud, bad faith, wilful default or recklessness in respect of its obligations and duties under the Investment Management Agreement. The AIFM shall indemnify and hold harmless the Investment Manager and each of its directors, officers and authorised agents against all or any Losses (including without limitation reasonable legal fees and expenses) arising from the breach of the Investment Management Agreement by the AIFM in the performance of its duties or which otherwise may be suffered or incurred by the Investment Manager in the performance of its duties save where such Losses, claims, costs and expenses arise due to the negligence, fraud, bad faith, wilful default or recklessness of the Investment Manager, its directors, officers or authorised agents.

Unless otherwise agreed in writing by the parties, the Investment Management Agreement may be terminated by either the AIFM or the Investment Manager by giving the other party not less than ninety (90) days' notice in writing. The Investment Management Agreement may be terminated by any party thereto with immediate effect by notice in writing to the other party if at any time: (i) the other party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first-mentioned party) or be unable to pay its debts or commit any act of bankruptcy under applicable law or if a receiver is appointed over any of the assets of such other party or if some event having an equivalent effect occurs; (ii) the other party ceases to be permitted to perform its duties under any applicable laws or regulations; (iii) the other party shall commit any material breach of this Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring the same to be remedied; or (iv) an examiner, administrator or similar person is appointed to the other party.

The Distributors

Western Asset Management Company Limited

The Company has appointed Western Asset Management Company Limited as a distributor of the Company pursuant to the Investment Management Agreement, a summary of which is set out above under the section of this Prospectus entitled "The Investment Manager".

The Investment Manager has appointed Western Asset Management Company, LLC and Western Asset Management Company Pte. Ltd as sub-distributors of the Company pursuant to the relevant Sub-Investment Management Agreements.

Legg Mason Investments (Europe) Limited

The Company and the AIFM have appointed Legg Mason Investments (Europe) Limited as a distributor of the Company pursuant to a Distribution Agreement.

Legg Mason Asset Management Hong Kong Limited

The Company and the AIFM have appointed Legg Mason Asset Management Hong Kong Limited as a distributor of the Company pursuant to a Distribution Agreement.

Legg Mason Asset Management Singapore Pte. Limited

The Company and the AIFM have appointed Legg Mason Asset Management Singapore Pte. Limited as a distributor of the Company pursuant to a Distribution Agreement.

The Distribution Agreement entered into between the Company, the AIFM and each Distributor provides that the Distributor shall not be liable for any loss suffered by the Funds or the Shareholders in connection with the performance by the Distributor of its functions and duties under the Distribution Agreement, except a loss resulting from negligence, wilful misfeasance, reckless disregard or bad faith by the Distributor or its directors, officers or agents in the performance of its functions and duties under the Distribution Agreement. The Company shall indemnify the Distributor and its directors, officers or agents against all liabilities, damages, costs and claims and expenses incurred by the Distributor, its directors, officers or agents in the performance of its functions and duties under the Distribution Agreement provided that such indemnity shall not be given where the Distributor, its directors, officers or agents is or are guilty of any bad faith, negligence, reckless disregard or wilful misfeasance in the performance of its functions or duties.

Each Distribution Agreement may be terminated by any party on 90 days' notice in writing to the other party.

The Sub-Investment Managers

Western Asset Management Company

Pursuant to a Sub-Investment Management Agreement, Western Asset Management Company, LLC has been appointed by the Investment Manager as sub-investment manager and sub-distributor of the Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund, the Legg Mason Western Asset Senior Loans Fund, the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund, the Legg Mason Western Asset High Yield Credit Energy Fund, the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund and the Western Asset European Loan Fund. Western Asset Management Company, LLC is a wholly-owned subsidiary of Legg Mason, and is organised under the laws of the state of California. Western Asset Management Company, LLC is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). Western Asset Management Company, LLC specialises in providing investment advice in investing in fixed income investments. It currently serves as investment adviser to institutional accounts, such as corporate pension plans, mutual funds and endowment funds, as well as to individual investors.

Western Asset Management Company Pte. Ltd

Pursuant to a Sub-Investment Management Agreement, Western Asset Management Company Pte. Ltd has been appointed by the Investment Manager as sub-investment manager and sub-distributor of the Legg Mason Western Asset India Bond Fund, the Legg Mason Western Asset Global Total Return Investment Grade Bond Fund and the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund. Western Asset Management Company Pte. Ltd is organised under the laws of Singapore and is a wholly owned subsidiary of Legg Mason. Western Asset Management Company Pte. Ltd holds a capital markets licence with the Monetary Authority of Singapore.

Western Asset Management Company Distribuidora De Titulos E Valores Mobiliários Limitada

Pursuant to a Sub-Investment Management Agreement, Western Asset Management Company Distribuidora De Titulos E Valores Mobiliários Limitada has been appointed by the Investment Manager as sub-investment manager of the Legg Mason Global Total Return Investment Grade Bond Fund and the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund. Western Asset Management Company Distribuidora De Titulos E Valores Mobiliários Limitada is incorporated under the laws of Brazil and is registered as an investment manager with the Brazilian Securities and Exchange Commission. It is a wholly owned subsidiary of Legg Mason.

Western Asset Management Company Ltd

Pursuant to a Sub-Investment Management Agreement, Western Asset Management Company Ltd. has been appointed by the Investment Manager as sub-investment manager of the Legg Mason Global Total Return Investment Grade Bond Fund and the Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund. Western Asset Management Company Ltd. is incorporated under the laws of Japan, is registered as an investment advisor with Kanto Local Finance Bureau under the Law Concerning Regulation, etc. of Investment Advisory Business Relating to Securities (Law No. 74 of 1986, as amended, or the “Investment Advisory Law”). It is authorised as a discretionary investment manager under the Investment Advisory Law, and is regulated by the Financial Services Agency of Japan. It is a wholly owned subsidiary of Legg Mason.

Western Asset Management Company Pty Ltd

Pursuant to a Sub-Investment Management Agreement, Western Asset Management Company Pty Ltd has been appointed by the Investment Manager as sub-investment manager of the Legg Mason Global Total Return Investment Grade Bond Fund and the Legg Mason Western Asset Growth & Income

Managed Aggregate Strategy Fund. Western Asset Management Company Pty Ltd is incorporated under the laws of Australia and is the holder of an Australian Financial Services Licence issued by the Australian Securities and Investment Commission. It is a wholly owned subsidiary of Legg Mason.

The Administrator

The Administrator is a designated activity company incorporated in Ireland on 31 May 1994 under registration number 218007. The Administrator's registered office is at 1 Dockland Central, Guild Street, IFSC, Dublin 1, Ireland. The Administrator's main business activity is the provision of administrative services to collective investment schemes and other portfolios.

The Administrator is not involved directly or indirectly with the business affairs, organisation, distribution or management of the Company and is responsible and liable only for the administration services that it provides to the Company and the AIFM pursuant to the Administration Agreement. The Administrator has agreed to provide these services at all times in accordance with applicable laws, supervisory regulations and guidelines, including, without limitation, AIFMD, the Level 2 Regulation, the AIFMD Regulations and the Central Bank's AIF Rulebook and associated guidance.

The Administration Agreement shall continue in full force and effect until terminated by either party. The Administration Agreement may be terminated by either party at any time upon ninety (90) days' written notice to the other party, provided that: (a) either party may terminate the Administration Agreement if the other party (i) commits any material breach of the Administration Agreement which is either incapable of remedy or has not been remedied within thirty (30) days of receipt of notice served by the non-defaulting party requiring it so to do to cease such breach; (ii) is unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iii) is the subject of any petition for the appointment of an examiner or similar officer to it; (iv) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (v) is the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vi) is the subject of a court order for its winding up; (b) the Company may at any time immediately terminate the agreement in the event that the Administrator is no longer permitted to perform its obligations under any applicable law or regulation; and (c) the Administrator may at any time terminate the agreement in the event that the authorisation of the Company by the Central Bank is revoked.

The Administrator and its directors, officers, employees and agents shall not be liable for any loss, damage or expense (including, without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) arising out of or in connection with the performance by the Administrator (its directors, officers, servants, employees or agents) of its duties under the Administration Agreement (including its actions or omissions) and whether in accordance with or in pursuance of any proper instructions or in accordance with professional advice obtained or as a result of the incompleteness or inaccuracy of any specifications, instructions or information furnished to the Administrator or for delays caused by circumstances beyond the Administrator's control or otherwise howsoever arising other than by reason of the negligence, wilful default or fraud of the Administrator. The Company shall indemnify and keep indemnified and hold harmless the Administrator and each of its shareholders, directors, officers, servants, employees and agents from and against any and all direct actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Administrator or any of its shareholders, directors, officers, servants, employees and agents arising out of or in connection with the performance of the Administrator's duties under the Administration Agreement (otherwise than by reason of the negligence, wilful default or fraud of the Administrator).

The Depositary

The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank of Ireland for conduct of business rules. The Depositary's registered office is at Riverside II, Sir John Rogerson's Quay, Dublin 2, Ireland.

Both the Administrator and the Depositary are wholly-owned indirect subsidiaries of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. The Bank of New York Mellon Corporation is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

Pursuant to the Depositary Agreement, the Company and the AIFM have appointed the Depositary as depositary to the Company to provide the duties and the oversight and control functions specified in the Depositary Agreement in accordance with the Articles of Association, the Prospectus and applicable law, for the term and subject to the provisions of the Depositary Agreement.

The Depositary Agreement shall continue in full force and effect until terminated by any party without the payment of any penalty. The Depositary Agreement may be terminated by either party upon not less than ninety (90) days' written notice to the other party provided that: (a) the Depositary may terminate the Depositary Agreement: (i) at any time upon or after the Company going into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary which approval shall not be unreasonably withheld) or being unable to pay its debts within the meaning of Section 570 of the Companies Act or in the event of the appointment of a receiver over any of the assets of the Company or if an examiner is appointed to the Company or if some event having an equivalent effect occurs or (ii) at any time if the Company shall commit any material breach of its obligations under the Depositary Agreement and (if such breach shall be capable of remedy) shall fail within thirty days of receipt of notice served by the Depositary requiring it to make good such breach, provided that such retirement or resignation shall not take effect until a successor Depositary (approved as such by the Central Bank) has been appointed with the approval of the Central Bank and provided further that in the event that no successor Depositary is appointed, such retirement or resignation shall only take effect after revocation of authorisation of the Company; and (b) the Company may terminate the appointment of the Depositary by notice taking immediate or subsequent effect if any of the events set out in (a) above occur in relation to the Depositary or if the Depositary shall cease to be authorised to act as a Depositary to a fund authorised under Part 24 of the Companies Act and/or pursuant to AIFMD or otherwise under applicable law to carry out its functions pursuant to the Depositary Agreement. The Central Bank may, where it appears to be desirable in the interests of the Shareholders of the Company, replace the Depositary with another depositary in accordance with the terms of applicable law. If within 90 days' from the date of (i) the Depositary serving notice of termination of the Depositary Agreement or (ii) the Company serving notice of its desire to remove the Depositary another depositary acceptable to the Company and approved by the Central Bank has not been appointed to act as depositary to the Company, the Company shall serve notice on all Shareholders of its intention to convene an extraordinary general meeting at which a resolution to wind up the Company will be considered in order to repurchase all Shares then issued to Shareholders on the date specified in such notice which shall not be less than one month nor more than three months after the date of service of such notice and shall procure that, following such repurchase of all but the required minimum number of Shares, either a liquidator be appointed or an application be made to the Registrar of Companies to strike the Company from the Companies Register so that the

Company shall be wound up. The Depositary's appointment shall terminate following the occurrence of such repurchase and the revocation of the Central Bank's authorisation of the Company.

The Depositary must exercise due care and diligence in the discharge of its duties and will be liable to the Company and the Shareholders for any loss of Securities and any other loss arising from its negligence or fraud in the performance of, or intentional failure to fulfil properly its duties under applicable law and shall, in the case of a definitive loss of securities held in custody, but subject always to the terms of the Depositary Agreement, return securities of identical type or the corresponding amount to the relevant Fund or the Company or the AIFM on behalf of the Company without undue delay. Subject and without prejudice to Clause 15(a), the Depositary shall not be liable to the Company and the Shareholders or to any other person for consequential, indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary or of its duties and obligations hereunder. The liability of the Depositary shall not be affected by the fact that it has entrusted to a third party some or all of the securities in its custody, provided however that the Depositary shall have no liability in circumstances where it can demonstrate that it has complied with its obligations in relation to the appointment of such third party delegate in accordance with the Depositary Agreement, and the written contract between the Depositary and such third party delegate expressly transfers the liability of the Depositary on to the third party delegate and makes it possible for a claim to be brought by the Company or the AIFM on behalf of the Company or the Depositary on behalf of the Company against the third party delegate in respect of the loss of Securities. The Articles of Association expressly permit for the discharge of the Depositary's liability in the circumstances specified above. The Company and /or the AIFM shall inform Shareholders in advance of the circumstances in which the Depositary may discharge itself of liability as specified above. The objective reason for such discharge shall be agreed in writing between the parties each time the Depositary intends to discharge its liability in accordance with Article 102(2) of the Level 2 Regulation. The Depositary shall not be liable for the loss of securities held in custody (as defined in or pursuant to AIFMD) by it or a sub-custodian where it proves that the loss was as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable, despite all reasonable efforts to the contrary.

The Depositary may appoint one or more delegates provided that in respect of the delegation of safe-keeping functions, the delegate is not appointed with the intention of avoiding the requirements of applicable law, in circumstances where (i) the Depositary can demonstrate an objective reason for the delegation; (ii) the delegate complies with the general obligations and prohibitions set out in the Depositary Agreement; and (iii) the delegate acts honestly, fairly, professionally, independently and in the interests of the Company and Shareholders, and manages conflicts in accordance with the requirements of applicable law. The liability of the Depositary shall not be affected by the fact of any delegation, save as provided in the Depositary Agreement. The parties to the Depositary Agreement acknowledge and agree that the Depositary shall discharge its obligations in relation to the appointment of delegates, through the exercise of due skill, care and diligence in selecting and appointing a third party as a safe-keeping agent and will keep exercising all due skill, care and diligence in the periodic review and ongoing monitoring of such third party and of the arrangements of the third party in respect of the appointment of such third party as a safe-keeping agent so as to ensure that the third party has and maintains the following conditions at all times during the performance of the tasks delegated to it: (i) the third party has the structures and expertise that are adequate and proportionate to the nature and complexity of the assets of the Company or the AIFM acting on behalf of the Company which have been entrusted to it; (ii) where the Depositary delegates its safe-keeping functions in relation to securities, any third party to whom such functions are delegated shall be subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction in which it is appointed and shall be subject to a periodic external audit to ensure that the securities are in its possession; and (iii) the Depositary shall ensure that (a) the delegate segregates the assets of the Depositary's clients from its own assets and from the assets of the Depositary in such a way that they can be clearly identified as belonging to clients of the Depositary; and (b) the delegate complies with the general obligations and prohibitions set out in Regulation 22(8) and (10) of the AIFMD Regulations. Notwithstanding Regulation 22(11)(b)(iv)(II) of the AIFMD Regulations, where the law of a non-EU

country (a “third country”) requires that securities be held in custody by a local entity and no local entities satisfy the delegation requirements laid down in that Regulation, the Depositary may delegate its functions to a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements, subject to the requirements of the AIFMD Regulations.

The AIFM will inform Shareholders of any changes with respect to the Depositary’s liability without delay.

Other Counterparties

The Company may enter into arrangements with other counterparties including counterparties to OTC financial derivative instruments, in accordance with the requirements of the Central Bank.

The net exposure to a single counterparty is calculated in accordance with the requirements of the Central Bank by adding (a) the value of securities issued by the counterparty held by a Fund; (b) the outstanding indebtedness of the counterparty to the Fund; (c) any collateral passed by the Fund to the counterparty; and (d) any deposits with the counterparty to which client money or equivalent protection is not afforded; and subtracting the value of collateral passed to the Fund by the counterparty and the indebtedness of the Fund to the counterparty.

Any such counterparty must have a minimum credit rating of A2/P2 as rated by S&P, Fitch or Moody’s or an equivalent rating provided by an NRSRO. An implied credit rating arises where the Investment Manager/Sub-Investment Manager determines that the Fund may transact with an unrated entity on the basis of the relationship between the counterparty and its rated parent, or where the counterparty has a senior debt/long-term rating but no short-term rating.

Where the net counterparty risk exposure to a single counterparty exceeds 40% of the Net Asset Value of the Fund, the counterparty will be required to determine the market value of cash or securities appropriated at least once every Business Day, will be contractually required to return the same or equivalent securities to the Fund and will incorporate a legally enforceable right of set-off for the Fund in its contractual agreement. Such a counterparty must be regulated to provide services and it, or its parent company, must have shareholders’ funds in excess of €200 million (or its equivalent in another currency). In addition, such counterparty, or its parent company, must have a minimum credit rating of A1 (as rated by S&P) or P1 (as rated by Moody’s).

Shareholders generally do not have a direct ability to enforce provisions of the agreements negotiated with the Company’s service providers.

TAXATION

IRISH TAXATION

The following is a brief summary relevant to Shareholders of the Irish tax system applicable to the Company and details of the withholding taxes or deductions that may be made at source from the income and capital gains paid by the Company to Shareholders who are the beneficial owners of Shares. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. The tax consequences of an investment in Shares will depend not only on the nature of the Company’s operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of Ireland and/or their country of incorporation, establishment,

citizenship, residence or domicile, or other liability to tax and in light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended (“TCA”) so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

As a result of changes introduced in the Finance Act 2016, a new regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20% withholding tax on ‘IREF taxable events’. The changes primarily target non-Irish resident investors. On the basis that the Company does not, and will not, hold Irish property assets, these provisions should not be relevant and are not discussed further.

Chargeable Event

Although the Company is not chargeable to Irish tax on its income and gains, Irish tax (at rates currently ranging from 25% to 60%) can arise on the happening of a “chargeable event” in respect of the Company. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “intermediary” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“Irish Resident”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:-

- any transactions (which might otherwise be a chargeable event) in relation to, or in respect of, Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain, of Shares for other Shares ; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

Irish Courts Service

Where Shares are held by the Irish Courts Service, the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, inter alia, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "Exempt Irish Resident":

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;

- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency ;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company to an Irish Resident Shareholder who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41%.

Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by the Shareholder at the rate of 25%.

Deemed Disposals

A deemed disposal of Shares will occur on each and every eighth anniversary of the acquisition of Shares in the Company held by Irish Resident Shareholders who are not Exempt Irish Residents. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10% or more of the Net Asset Value of the relevant Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10% of the Net Asset Value of the relevant Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

FATCA withholding

If a Shareholder causes (directly or indirectly) the Company to suffer a FATCA Deduction, or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA.

GENERAL

Conflicts of Interest

The AIFM, the Investment Manager, the Sub-Investment Manager, the Directors, the Depositary and the Administrator may from time to time act as manager, director, depositary, registrar, administrator, or dealer in relation to, or be otherwise involved in, other funds established by parties other than the Company which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company. Each will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and that such dealings are in the best interests of Shareholders.

Dealings will be deemed to have been effected on normal commercial terms negotiated at arm's length if (1) a certified valuation of a transaction by a person approved by the Depositary, or by the Directors in the case of a transaction involving the Depositary, as independent and competent is obtained; or (2) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or, where (1) and (2) are not practical, (3) the transaction is executed on terms which the Depositary is, or the Directors in the case of a transaction involving the Depositary are, satisfied are normal commercial terms negotiated at arm's length.

The AIFM, Investment Manager or Sub-Investment Manager may direct transactions to brokers in return for research services which assist in the provision of investment services to the Company (such as written research reports on companies, sectors, or economies or the subscription of on-line data bases that provide real time, historical pricing information and meetings with portfolio company representatives) furnished by them to the AIFM, Investment Manager or Sub-Investment Manager, as the case may be. In such circumstances, the AIFM, Investment Manager or Sub-Investment Manager will enter into soft commission agreements or similar arrangements with such brokers. Under such arrangements, the AIFM, Investment Manager or Sub-Investment Manager must ensure that the broker or counterparty to the arrangement has agreed to provide best execution to the Funds. Best execution does not necessarily mean the lowest commission. For example, the AIFM, Investment Manager or Sub-Investment Manager may cause a Fund to pay a broker a commission greater than that charged by another qualified broker to execute the same transaction where the AIFM, Investment Manager or Sub-Investment Manager, in good faith, determines that (1) the commission is reasonable in relation to the value of the brokerage and research services received and (2) the research services will assist the AIFM, Investment Manager or Sub-Investment Manager in the provision of investment services to the Fund. The AIFM, Investment Manager and Sub-Investment Manager have each provided the Funds with a copy of their soft commission policies, which includes a list of their soft commission arrangements with third parties. A summary of this information is available to Shareholders upon written request. Furthermore, the AIFM, Investment Manager and Sub-Investment Manager have provided the Company with information concerning soft commissions for disclosure in periodic financial reports issued by the Company, which are also available to Shareholders.

The AIFM, Investment Manager and the Sub-Investment Managers may be subject to additional requirements regarding best execution due to the regulations in the jurisdictions in which they are domiciled.

Certain investments may be appropriate for the Company and also for other clients advised by the AIFM, Investment Manager or Sub-Investment Manager. Investment decisions for the Company and for such other clients are made by the AIFM, Investment Manager and/or Sub-Investment Manager, as appropriate, in its best judgment, but in its sole discretion taking into account such factors as it believes

relevant. Such factors may include investment objectives, current holdings, availability of cash for investment and the size of the investments generally. The AIFM, Investment Manager and Sub-Investment Manager are not under any obligation to share any investment, idea or strategy with the Company.

Frequently, a particular security may be bought or sold for only the Company or only one client or in different amounts and at different times for more than one but less than all clients, including the Company. Likewise, a particular security may be bought for the Company or one or more clients when one or more other clients or the Company are selling the security. In addition, purchases or sales of the same security may be made for two or more clients, including the Company, on the same date. In such event, such transactions will be allocated among the Company and such client(s) in a manner believed by the AIFM, Investment Manager or Sub-Investment Manager to be equitable to each. There can be no assurance that the Company will not receive less of a certain security than it would otherwise receive if the AIFM, Investment Manager or Sub-Investment Manager, as the case may be, did not have a conflict of interest among clients. Purchase and sale orders for the Company may be combined with those of other clients of the AIFM, Investment Manager and Sub-Investment Manager in the interest of most favourable net results to the Company. In effecting transactions, it may not always be possible, or consistent with the investment objectives of the various persons described above and of the Company, to take or liquidate the same investment positions at the same time or at the same prices.

Many of the investment changes in the Company will be made at prices different from those prevailing at the time they may be reflected in a report to the investors. These transactions will reflect investment decisions made by the AIFM, Investment Manager or Sub-Investment Manager in light of the objective and policies of the Company, and such factors as its other portfolio holdings and tax considerations, and should not be construed as recommendations for similar action by other investors.

The Articles of Association provide that certain investments of the Company may be valued based on prices provided by a competent person approved for the purpose by the Depositary. The AIFM, Investment Manager or Sub-Investment Manager or a party related to them may be the competent person approved by the Depositary for such purpose. The AIFM and the Investment Manager's fee is calculated by reference to the Net Asset Value of each Fund. The higher the Net Asset Value of each Fund the higher the fee payable to the Investment Manager. Consequently, a conflict may arise where the AIFM or the Investment Manager is approved as the competent person for the purposes of pricing a particular asset of a Fund.

From time to time conflicts may arise between the Depositary and its delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to the Funds and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the Funds.

The Share Capital

Each of the Shares is a share of no par value. The Articles of Association provide that the Company may, subject to applicable laws and regulations, issue two or more classes of Shares, each representing an interest in a Company, with different rights and privileges. Each Fund may consist of one or more Classes of Shares. Each such Class of Shares may bear, to the extent applicable, its own management fee (which may be different from the management fees paid by other Classes of Shares) and distribution expenses, as well as any other expenses applicable only to that specific class.

The Company was incorporated with an initial share capital of two euro and represented by two Subscriber Shares of no par value. Shareholders of the Subscriber Shares are entitled to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund or the Company. The share capital of the Company shall at all times equal the Net Asset Value. The minimum authorised share capital of the Company is two euro represented by two shares

of no par value and the maximum authorised share capital is five hundred billion shares of no par value. Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Company save in the case of dividends declared prior to becoming a Shareholder.

A Shareholder in each Fund and Class of Shares of the Company will be entitled to receive its share of all dividends and distributions if applicable from the Company's assets, based upon the relative value of such Shares to those of other classes of Shares of the Company.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

Each of the Shares entitles the holder to attend and vote at meetings of the Company. The Articles of Association provide that matters may be determined at meetings of the Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share gives the holder thereof one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association. The quorum for any general meeting convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares.

The Articles of Association empower the Directors to issue fractional Shares. Fractional shares shall not carry any voting rights at general meetings of the Company and the Net Asset Value of any fractional share of any class of shares shall be adjusted by the amount which such fractional share bears to an integral share of that class of share at the time of issue and any dividend payable on such fractional shares shall be adjusted in like manner.

The Directors reserve the right to redesignate any Class of Shares from time to time, provided that shareholders in that Class shall first have been notified by the Company that the Shares will be redesignated and shall have been given the opportunity to have their Shares repurchased by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional Class of Shares.

The Articles of Association of the Company empower the Directors to issue fractional Shares. Fractional shares may be issued to the nearest one-hundredth of a share and shall not carry any voting rights at general meetings of the Company or of any Fund and the Net Asset Value of any fractional share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

There are two Subscriber Shares in issue. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company. The voting rights attaching to the Subscriber Shares are the same as those attaching to the other Shares.

Meetings

All general meetings of the Company shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting.

A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a plurality of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

Reports

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders at least twenty-one days before the annual general meeting and, in any event, within four months of the end of the financial year. In addition, the Company shall prepare within two months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 August in each year. Unaudited half-yearly accounts shall be made up to 28 February in each year.

Audited annual reports and unaudited half-yearly accounts incorporating financial statements shall be sent to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Investment Manager and the Company. The audited annual accounts and unaudited half-yearly accounts will be available to investors and prospective investors and will be sent to investors and prospective investors upon request.

The role of the auditor is to provide an opinion that the audited financial statements of the Company provide a true and fair view of the assets and liabilities of the Company in accordance with applicable accounting and auditing standards.

To the extent required by the Central Bank and in accordance with AIFMD, information on the following may be required to be disclosed by way of a report to Shareholders or other means permitted under, and at the frequency required by, AIFMD: (1) the percentage of a Fund's assets which are subject to special arrangements arising from their illiquid nature; (2) any new arrangements for managing the liquidity of the Funds; (3) the current risk profile of the Funds and the risk management systems employed by the AIFM to manage those risks; (4) any changes to the maximum level of leverage (if any) which the AIFM may employ on behalf of the Funds as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement; (5) the total amount of leverage (if any) employed by the Funds; and (6) any arrangement made by the Depositary to contractually discharge itself of liability.

The Funds and Segregation of Liability

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more Classes of Shares. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate Classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate Classes of Shares within each Fund on such terms as the Directors may resolve.

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;

- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

Termination

All of the Shares may be redeemed by the Company in any of the following circumstances:

- (i) if a majority of the holders of the Shares voting at a general meeting of the Company approve the redemption of the Shares;
- (ii) if the Directors determine to redeem the Shares in any Fund or Class on thirty days' notice in writing to the Shareholders in that Fund or Class; or
- (iii) if no replacement depositary shall have been appointed during the period of six months commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up of the Company, the assets available for distribution shall be distributed pro rata to the number of the Shares held by each Shareholder.

Miscellaneous

- (i) The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iii) Save as disclosed, none of the Directors is interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (iv) Mr. Carrier, Ms. Trust, Mr. Sagger and Mr. Jackson are directors and/or executives of certain affiliates of the Investment Manager and Distributors. Mr. LaRocque was previously employed by Legg Mason from 2001 until July 2019, most recently as Managing Director in charge of Affiliate Strategic Initiatives. Save as disclosed above, none of the Directors has any interest, direct or indirect, in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (v) No commission, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued or to be issued by the Company; on any issue or sale of Shares, the Investment Manager/Sub-Investment Manager may, out of its own funds or out of the sales charges, pay commissions on applications received through brokers and other professional agents or grant discounts.

- (vii) At the date of this document, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.

Fair Treatment of Shareholders

The AIFM will seek in its decision-making procedures and organisational structures to ensure fair treatment of all Shareholders by adhering to applicable laws, any relevant policies and procedures it has adopted in respect of the Company and the terms of the AIFM Agreement.

Preferential Treatment Arrangements

Each of the AIFM, the Investment Manager and the Sub-Investment Manager may, in its sole discretion, enter into rebate or other arrangements with certain Shareholders which have the effect of reducing, waiving or calculating differently the management fee with respect to such Shareholders (including, without limitation, Shareholders that are directors, officers, managers, members, partners, affiliates or employees of the AIFM, the Investment Manager and/or the Sub-Investment Manager, members of the families of such persons and trusts or other entities for their benefit (or that are charitable organisations established by any of the foregoing). Any such rebate or other arrangement will have the effect of reducing the investment management fee otherwise payable to the AIFM, the Investment Manager or the Sub-Investment Manager, as the case may be.

Data Protection Notice

Prospective investors should note that by completing the application form they are providing personal information, which may constitute personal data within the meaning of the Data Protection Legislation.

The following indicates the purposes for which investors' personal data may be used by the Company and the legal bases for such uses:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis as required for the performance of the contract between the Company and the investor and to comply with legal and regulatory requirements;
- to carry out statistical analysis (including data profiling) and market research in the Company's legitimate business interest;
- for any other specific purposes where the investor has given specific consent. Such consent may be subsequently withdrawn by the investor at any time, without affecting the lawfulness of processing based on consent before its withdrawal;
- to comply with legal and regulatory obligations applicable to the investor and/or the Company 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; or
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the U.S., 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 Company and

its delegates (including the AIFM) 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 Company and the investor or as needed in the Company's legitimate business interests; or

Investors' personal data may be disclosed by the Company to its delegates and service providers (including AIFM, Investment Managers, Sub-Investment Managers, Distributors, Administrator and the Depositary), their 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).

Investors' 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 Company 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 investors 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 legg.mason@bnymellon.com, or by phone at +353 53 91 49999.

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

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

In addition, investors have the right to object to processing of personal data by the Company.

The above rights will be exercisable by investors subject to limitations as provided for in the Data Protection Legislation. Investors may make a request to the Company to exercise these rights by contacting the Administrator, by email at legg.mason@bnymellon.com, or by phone at +353 53 91 49999.

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

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. Note that investors 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.

Additionally, by signing the applicable form, prospective investors acknowledge and accept that the Company and/or the Administrator, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons and, in certain cases, their Controlling U.S. Persons and nonparticipating FFIs (as defined in FATCA) to the IRS.

Material Contracts

The following contracts, details of which are set out in the section entitled "Management and Administration," have been entered into and are, or may be, material:

- The Depositary Agreement.
- The AIFM Agreement.
- The Investment Management Agreement.
- The Administration Agreement.
- The Distribution Agreements.
- The Sub-Investment Management Agreements.

Supply and Inspection of Documents

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) the material contracts referred to above;
- (b) the certificate of incorporation;
- (c) Part 24 of the Companies Act (as amended from time to time);
- (d) the Central Bank's AIF Rulebook; and
- (e) a list of the directorships and partnerships of each of the Directors over the previous five years, indicating whether such directorships or partnerships are current.

Copies of the Constitution of the Company (as amended from time to time) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

The historical performance of the Funds is available to Shareholders upon request from the AIFM and/or the Distributor.

SCHEDULE 1

The Share Classes

Legg Mason Western Asset Non-Agency Mortgage-Backed Securities Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Extended	0.60%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Accumulating	Extended	0.60%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Accumulating	Extended	0.60%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	SEK	SEK100	SEK195 million	SEK32.5 million	Accumulating	Extended	0.60%
Institutional (Hedged)	SEK	SEK100	SEK195 million	SEK32.5 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Accumulating	Extended	0.60%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Distributing (monthly)	Extended	0.60%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Accumulating	Extended	0.80%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Accumulating	Extended	0.80%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Accumulating	Extended	0.80%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Accumulating	Extended	0.80%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Accumulating	Extended	0.80%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Distributing (monthly)	Extended	0.80%
LM	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager

LM	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager

Legg Mason Western Asset Senior Loans Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Closed	0.55%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Distributing (monthly)	Closed	0.55%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Accumulating	Closed	0.55%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Distributing (monthly)	Closed	0.55%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Accumulating	Closed	0.55%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Distributing (monthly)	Closed	0.55%
Institutional (Hedged)	SEK	SEK100	SEK100 million	SEK10 million	Accumulating	Closed	0.55%
Institutional (Hedged)	SEK	SEK100	SEK100 million	SEK10 million	Distributing (monthly)	Closed	0.55%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Accumulating	Closed	0.55%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Distributing (monthly)	Closed	0.55%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Accumulating	Closed	0.75%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Distributing (monthly)	Closed	0.75%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Accumulating	Closed	0.75%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Distributing (monthly)	Closed	0.75%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Accumulating	Closed	0.75%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Distributing (monthly)	Closed	0.75%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Accumulating	Closed	0.75%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Distributing (monthly)	Closed	0.75%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Accumulating	Closed	0.75%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Distributing (monthly)	Closed	0.75%
LM	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Closed	As agreed with Investment Manager
LM	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Closed	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Accumulating	Closed	As agreed with Investment Manager

LM (Hedged)	GBP	GBP100	N/A	N/A	Distributing (monthly)	Closed	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Accumulating	Closed	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Distributing (monthly)	Closed	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Accumulating	Closed	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Distributing (monthly)	Closed	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Accumulating	Closed	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Distributing (monthly)	Closed	As agreed with Investment Manager

Legg Mason Western Asset India Bond Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Extended	0.60%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Distributing (monthly)	Extended	0.60%
Class N	U.S. \$	U.S. \$100	U.S.\$ equivalent of EUR 200,000	U.S.\$ equivalent of EUR 10,000	Accumulating	Extended	1.25%
Class N	U.S. \$	U.S. \$100	U.S.\$ equivalent of EUR 200,000	U.S.\$ equivalent of EUR 10,000	Distributing (monthly)	Extended	1.25%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Accumulating	Extended	0.60%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Distributing (monthly)	Extended	0.60%
LM	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager

Legg Mason Western Asset Global Total Return Investment Grade Bond Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
Institutional (Hedged)	AUD	AUD100	AUD10 million	AUD1 million	Accumulating	Extended	0.60%
Institutional (Hedged)	AUD	AUD100	AUD10 million	AUD1 million	Distributing (monthly)	Extended	0.60%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Extended	0.60%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Accumulating	Extended	0.60%
Institutional (Hedged)	GBP	GBP100	GBP10 million	GBP1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Accumulating	Extended	0.60%
Institutional (Hedged)	EUR	EUR100	EUR10 million	EUR1 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	SEK	SEK100	SEK195 million	SEK32.5 million	Accumulating	Extended	0.60%
Institutional (Hedged)	SEK	SEK100	SEK195 million	SEK32.5 million	Distributing (monthly)	Extended	0.60%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Accumulating	Extended	0.60%
Institutional (Hedged)	SGD	SGD1	SGD45 million	SGD7.5 million	Distributing (monthly)	Extended	0.60%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Accumulating	Extended	0.80%
Class X	U.S.\$	U.S.\$100	U.S.\$3 million	U.S.\$1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Accumulating	Extended	0.80%
Class X (Hedged)	GBP	GBP100	GBP3 million	GBP1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Accumulating	Extended	0.80%
Class X (Hedged)	EUR	EUR100	EUR3 million	EUR1 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Accumulating	Extended	0.80%
Class X (Hedged)	SEK	SEK100	SEK19.5 million	SEK6.5 million	Distributing (monthly)	Extended	0.80%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Accumulating	Extended	0.80%
Class X (Hedged)	SGD	SGD1	SGD45 million	SGD2.5 million	Distributing (monthly)	Extended	0.80%
LM	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager

LM	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	SEK	SEK100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	SGD	SGD1	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	AUD	AUD100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	AUD	AUD100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager

Legg Mason Western Asset Growth & Income Managed Aggregate Strategy Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
LM	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM	EUR	EUR100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM	EUR	EUR100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	U.S.\$	U.S.\$100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	U.S.\$	U.S.\$100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	GBP	GBP100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Accumulating	Extended	As agreed with Investment Manager
LM (Hedged)	EUR	EUR100	N/A	N/A	Distributing (monthly)	Extended	As agreed with Investment Manager
Legg Mason Western Asset High Yield Credit Energy Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Investment Management Fee
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Closed	0.60%
Institutional	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Distributing (Quarterly)	Closed	0.60%
Institutional	GBP (hedged)	£100	£10 million	£1 million	Accumulating	Closed	0.60%
Institutional	GBP (hedged)	£100	£10 million	£1 million	Distributing (Quarterly)	Closed	0.60%
Institutional	EUR (hedged)	EUR 100	EUR 10 million	EUR 1 million	Distributing (Quarterly)	Closed	0.60%
LM	U.S.\$	U.S.\$100	U.S.\$10 million	U.S.\$1 million	Accumulating	Closed	As agreed with Investment Manager
Class N	U.S. \$	U.S. \$100	U.S.\$ equivalent of EUR 200,000	U.S.\$ equivalent of EUR 10,000	Accumulating	Closed	1.5%
Class N	U.S. \$	U.S. \$100	U.S.\$ equivalent of EUR 200,000	U.S.\$ equivalent of EUR 10,000	Distributing (Quarterly)	Closed	1.5%
Class X	U.S. \$	U.S. \$100	U.S.\$3 million	U.S.\$1 million	Accumulating	Closed	0.8%

Class X	U.S. \$	U.S. \$100	U.S.\$3 million	U.S.\$1 million	Distributing (Quarterly)	Closed	0.8%
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Western Asset European Loan Fund							
Share Class	Share Class currency	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Dividend Policy	Status *	Annual Management Fee
Institutional	EUR	EUR 100	EUR 10 million	EUR 1 million	Accumulating	Extended	0.50% (which includes the Annual Investment Management Fee of 0.40%)
Class X	EUR	EUR 100	EUR 3 million	EUR 1 million	Accumulating	Extended	0.65% (which includes the Annual Investment Management Fee of 0.55%)
LM	EUR	EUR 100	N/A	N/A	Accumulating	Extended	0.10% (Annual Investment Management Fee will be as agreed with the Investment Manager)

* This column specifies “**New**” where a Class is being offered for the first time, “**Funded**” where a Class is in issue, “**Extended**” where a Class has been offered, the Initial Offer Period has commenced and is continuing but no Shares are in issue, “**Reoffered**” where a class has been in issue, became unfunded and is offered again and “**Closed**” where the Initial Offer Period has closed.