

PRODUCT UPDATE

Product Disclosure Statements - July 2018

Legg Mason has updated the Product Disclosure Statements (PDSs) across the range of our managed funds on 13 July 2018 to reflect the following changes detailed below.

Attribution Management Investment Trust (AMIT) Regime

What is the AMIT Regime?

The AMIT Regime was established by the Australian Government and provides a new set of tax rules that apply to eligible Managed Investment Trusts (MITs). The AMIT Regime provides greater certainty around the tax treatment of MITs and allows greater flexibility around how MITs are administered.

The AMIT Regime is optional. If a trustee or responsible entity chooses to make an AMIT election, it applies irrevocably to the trust for any year that the trust qualifies as an eligible AMIT.

Why are Legg Mason funds electing into the Regime?

Legg Mason believes it is in the best interests of unitholders to make an AMIT election because of the following potential benefits:

- Greater clarity and certainty around the tax treatment of distributions and the character of income and capital of the fund.
- Statutory codification of the 'unders and overs' practice. This means if there is difference between the amount that should have been attributed to members and what was actually attributed, the variance can be attributed to the year it is discovered. This means tax statements should not need to be reissued to members, who may have otherwise had to amend their own tax returns.
- Greater flexibility with administration, including the ability to accumulate income without a tax penalty and with the ability to obtain an upward cost base adjustment.

When will the AMIT Regime apply to Legg Mason funds?

Legg Mason has elected for each eligible MIT to opt into the AMIT regime for the year ended 30 June 2018.

Will there be changes to my annual tax statement?

Your annual tax statement will now be known as an AMIT Member Annual Statement (AMMA Statement). Compared to your 2017 tax statement, the 2018 AMMA Statement contains minor changes in terminology and some additional fields.

Restrictions to invest in tobacco and cluster munitions

A number of Legg Mason funds will have new restrictions on their investible universe. The Legg Mason funds marked in the table below will exclude the companies involved in:

- the production or distribution of cluster munitions
- the manufacture of tobacco products.

Other changes

Additional changes have been made for some funds which include:

- Inclusion of the ability for the Legg Mason Western Asset Macro Opportunities Bond Fund to make limited investment in equity derivatives
- Updating the benchmark naming convention following a change in index ownership for the Legg Mason Brandywine Global Opportunistic Fixed Income Fund and Legg Mason Brandywine Global Fixed Income Fund. The benchmark name has changed from the Citigroup World Government Bond Index to the FTSE World Government Bond Index. Please note there is no change to the benchmark constituents or construction methodology.

Summary of changes

Funds	AMIT election	Restrictions on cluster munitions and manufacture of tobacco products	Ability to use equity derivatives	Benchmark name change
Legg Mason Brandywine Global Fixed Income Fund	*	*		*
Legg Mason Brandywine Global Income Optimiser Fund	*	*		
Legg Mason Brandywine Global Opportunistic Fixed Income Fund	*	*		*
Legg Mason Martin Currie Core Equity Fund	*	*		
Legg Mason Martin Currie Diversified Growth Fund	*			
Legg Mason Martin Currie Diversified Income Fund	*			
Legg Mason Martin Currie Equity Income Fund	*	*		
Legg Mason Martin Currie Ethical Income Fund	*			
Legg Mason Martin Currie Property Securities Fund	*	*		
Legg Mason Martin Currie Real Income Fund	*	*		
Legg Mason Martin Currie Select Opportunities Fund	*	*		
Legg Mason Martin Currie Small Companies Fund	*	*		
Legg Mason Martin Currie Tactical Allocation Fund	*			
Legg Mason QS Investors Global Equity Fund	*	*		
Legg Mason Western Asset Australian Bond Fund	*	*		
Legg Mason Western Asset Cash Plus Fund	*			
Legg Mason Western Asset Global Bond Fund	*	*		
Legg Mason Western Asset Macro Opportunities Bond Fund	*		*	

Please contact Legg Mason

Any queries regarding the details of these changes should be directed to Legg Mason's Client Services team (contact details below).

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