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Product Key Facts
Legg Mason Global Funds Plc -
Legg Mason Brandywine Global Income Optimiser Fund

Issuer: Legg Mason Asset Management Hong Kong Limited

Last updated: April 2022

- **This statement provides you with key information about Legg Mason Brandywine Global Income Optimiser Fund.**
- **This statement is a part of the offering document.**
- **You should not invest in this product based on this statement alone.**

QUICK FACTS

Manager: Franklin Templeton International Services S.à r.l

Investment Manager (internal delegation): Brandywine Global Investment Management, LLC (located in USA)

Depository: The Bank of New York Mellon SA/NV, Dublin Branch

Base Currency: USD

Financial Year End of this Fund: Last day of February

Dealing Frequency: Daily

Ongoing Charges over a Year[#]:

Class A US\$ Accumulating: 1.34%¹

Class A US\$ Distributing (M) Plus: 1.33%¹

Class A EUR Distributing (M) (Hedged) Plus: 1.43%¹

Class A AUD Distributing (M) (Hedged) Plus: 1.43%¹

Class A HKD Accumulating: 1.40%¹

Class A HKD Distributing (M) Plus: 1.33%¹

Class A GBP Distributing (M) (Hedged) Plus: 1.43%¹

Class A CNH Distributing (M) (Hedged) Plus: 1.35%¹

[#] The ongoing charges figure is expressed as a percentage of the expenses over the average net asset value of the share class for the corresponding period as described below. This figure may vary from year to year.

¹ This figure is based on the expenses for the 12 month period from 1 September 2020 to 31 August 2021 and the average net asset value of the share class for the corresponding period.

Dividend Policy:

For Class A Distributing (M) Plus Share Classes* – any dividends will be declared and paid monthly

No distributions will be made for Class A Accumulating Share Classes

*Distributing Plus Share Classes available within this Fund may, at the discretion of the Directors of Legg Mason Global Funds Plc, pay dividends out of capital. Such distribution will result in a corresponding immediate decrease in the net asset value per share of the Distributing Plus Share Classes.

Minimum Investment:

Class A US\$ – US\$ 1,000 (Initial)

Class A EUR – EUR 1,000 (Initial)

Class A AUD – AUD 1,000 (Initial)

Class A HKD – HKD 8,000 (Initial)

Class A GBP – GBP 1,000 (Initial)

Class A CNH – CNH 6,000 (Initial)

There is no minimum for subsequent investment.

WHAT IS THIS PRODUCT?

Legg Mason Brandywine Global Income Optimiser Fund (the “Fund”) is a sub-fund of Legg Mason Global Funds Plc, which is constituted in the form of a mutual fund. It is domiciled in Ireland and its home regulator is Central Bank of Ireland.

OBJECTIVE AND INVESTMENT STRATEGY

Objective: The Fund seeks to maximise income yield in all market conditions while preserving capital (for the avoidance of doubt, the Fund is not a guarantee or capital-protected product).

Strategy: The Fund invests at least 70% of its net asset value in debt securities and, subject to the limits set out herein, derivatives providing exposure to debt securities. The Fund intends to invest at least 85% of its net asset value in US Dollar-denominated investments. However, when opportunities are available this may from time to time be a minimum of 80% of its net asset value in US Dollar-denominated investments.

The Investment Manager seeks to achieve the investment objective by adopting an income optimisation strategy which involves allocating the Fund's assets into what the Investment Manager considers the most attractive sectors throughout the business cycle (taking the yield of the relevant sectors and risk considerations into account), and using derivatives to protect capital and mitigate credit, currency and duration risks. The Investment Manager's investment approach combines a top-down analysis of macroeconomic conditions with a bottom-up fundamental analysis to identify what the Investment Manager considers the most attractive valuations during a business cycle. By using a value-oriented, global investing approach, the Investment Manager seeks to maximise the Fund's income through country, currency, sector, credit quality and security selection. The Fund may invest up to 50% of its net asset value in emerging market countries, i.e. any country in the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index or the J.P. Morgan Emerging Markets Bond Index Plus, excluding China.

The Investment Manager employs an actively managed strategy to invest in a combination of investment grade* bonds and bonds which are below investment grade* or unrated. The Fund may invest up to 100% of its net asset value in debt securities which at the time of purchase are rated below investment grade* or if unrated deemed by the Investment Manager to be of comparable quality. For the purposes of the Fund, "unrated bond" is defined as a bond which neither the bond itself nor its issuer has a credit rating.

In terms of the Fund's investment in debt securities, the Fund invests in debt securities and convertible securities that are listed or traded on regulated markets located anywhere in the world. The Fund may invest in debt securities issued or guaranteed by national governments and their agencies, instrumentalities and political sub-divisions (as well as the agencies and instrumentalities of such sub-divisions); Separate Trading of Registered Interest and Principal of Securities (STRIPS) and inflation-protected securities; debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities such as freely transferable promissory notes, debentures, fixed and floating rate 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; structured notes; securitised participations in loans (including collateralised loan obligations); mortgage-backed securities that are structured as debt securities. It is expected that the Fund's exposure to convertible securities will not exceed 20% of its net asset value and the Fund's exposure to securitised participations in loans (including collateralised loan obligations) and mortgage-backed securities in aggregate will not exceed 25% of its net asset value.

The Fund may invest up to 30% of its net asset value in loss absorption products, such as contingent convertibles, senior or subordinated debt or senior non-preferred debt that have contingent write down or loss absorption features.

In addition to using derivatives to mitigate credit, currency and duration risks as mentioned above, the Fund may use derivatives for investment purposes or for the purposes of efficient portfolio management. The Fund invests in derivatives providing exposure to any or all of the following: debt securities, interest rates, currencies and indices (including fixed income and commodity indices) meeting the eligibility requirements of the Central Bank. These include, but not limited to, options, futures and options on futures, forward currency exchange contracts and warrants. The Fund may also use swaps, including but not limited to interest rate and inflation swaps. The Investment Manager also intends to employ an active currency strategy by using derivatives which may not be correlated with the primary underlying securities held by the Fund. For the avoidance of doubt, the Fund's exposure to commodity indices will not exceed 5% of its net asset value.

* Investment grade securities have a rating of BBB- or higher from S&P or Baa3 or higher from Moody's or the equivalent or higher from another nationally recognised credit rating organisation (i.e. NRSRO as defined in the Prospectus of the Fund).

USE OF DERIVATIVES/ INVESTMENT IN DERIVATIVES:

The Fund's net derivative exposure¹ may be up to 50% of the Fund's net asset value.

¹ Please refer to the offering document for details regarding the calculation methodology of net derivative exposure.

WHAT ARE THE KEY RISKS?

Investment involves risks. Please refer to the offering document for details including the risk factors.



- **Investment Risk:** The value of investments in the Fund and the income from them can go down as well as up, and investors may not get back the amount originally invested and may suffer a substantial loss to their investments. Past performance is no guide to future returns and may not be repeated. There is no guarantee of the repayment of principal.
- **Risk of Income Optimisation Strategy:** The income optimisation strategy adopted by the Fund may not achieve the desired results under all circumstances and market conditions.
- **Debt Securities Risk:** Investments in debt securities are subject to risks such as credit / counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, risks related to below investment grade* / unrated securities, risk of government securities, risk of collateralised and/or securitised products, valuation risk and credit rating risk, which may cause substantial losses to the Fund, which are further elaborated as follows:
 - Credit / Counterparty Risk: The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
 - Interest Rate Risk: The value of debt 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 are such variations.
 - Volatility and Liquidity Risk: The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.
 - Downgrading Risk: The credit rating of a debt security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt securities that are being downgraded.
 - Risk related to Below Investment Grade* / Unrated Securities:

Debt securities rated below investment grade* are deemed by rating agencies to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal and may involve major risk exposures to adverse conditions affecting the issuer. Unrated debt securities are not necessarily of lower quality than rated securities, however, they may not be attractive to as many buyers hence may be less liquid and with higher risks.

The Fund may be invested in below investment grade* and/or unrated debt securities, which carry a higher degree of pricing volatility, market risk, liquidity risk and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities, than investment grade* debt securities. When any such risk materialises, the Fund may suffer a substantial loss.
 - Risk of Government Securities: Government-issued debt securities are sensitive to changes in macro policy and associated interest rate trends, political and economic instability, social unrest and potentially default. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.
 - Risk of Collateralised and/or Securitised Products: The Fund invests in collateralised and/or securitised products e.g. securitised participations in loans (including collateralised loan obligations) and mortgage-backed securities which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.
 - Valuation Risk: Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.
 - Credit Rating Risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.



- **Emerging Markets Risk:** This Fund may have significant exposure in emerging markets which involve increased risks and special considerations not typically associated with investment in more developed markets, including liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. Emerging market issuers may not be subject to the same accounting, auditing and financial reporting standards as developed countries. Emerging markets may have less reliable custody arrangements than mature markets which may also lead to a higher degree of risk. These factors may adversely affect the value of the securities owned by, hence a substantial loss to, the Fund.
- **Inflation-Protected Securities Risk:** The Fund may invest in inflation-protected securities, whose value generally fluctuates in response to changes to interest rates. If real interest rates rise (i.e. if interest rates rise for reasons other than inflation), the value of the inflation-protected securities in the Fund's portfolio will decline. Moreover, because the principal amount of inflation-protected securities would be adjusted downward during a period of deflation, the Fund will be subject to deflation risk with respect to its investments in these securities. The market for these securities may also be less developed or liquid, and more volatile, than certain other securities markets.
- **Derivatives Risks:** This Fund may use certain types of financial derivative instruments (FDIs). These instruments may involve a higher degree of risk including but not limited to counterparty/credit, volatility, liquidity, leverage, valuation and over-the-counter transaction risks. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. The Fund may suffer a substantial loss due to exposure to FDIs. There is no guarantee that the performance of FDIs will result in a positive effect to the Fund.
- **Risks of Implementing Active Position Through Derivatives:** As the active position of the Fund through the use of derivatives (including the active currency position) may not be correlated with the underlying securities positions held by the Fund, the Fund may suffer a significant or total loss even if there is no loss of the value of the underlying securities positions being the debt securities held by the Fund.
- **Currency Risk:** Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. Also, a class of shares may be designated in a currency other than the base currency of the Fund. The net asset value of the Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- **Risks associated with Investments in Debt Securities with Loss-Absorption Features:** Debt securities with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be out of the issuer's control. Such trigger events are complex and difficult to predict, and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt securities with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

The Fund may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

The Fund may also invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

- **Renminbi ("RMB") Currency and Conversion Risks:** RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the



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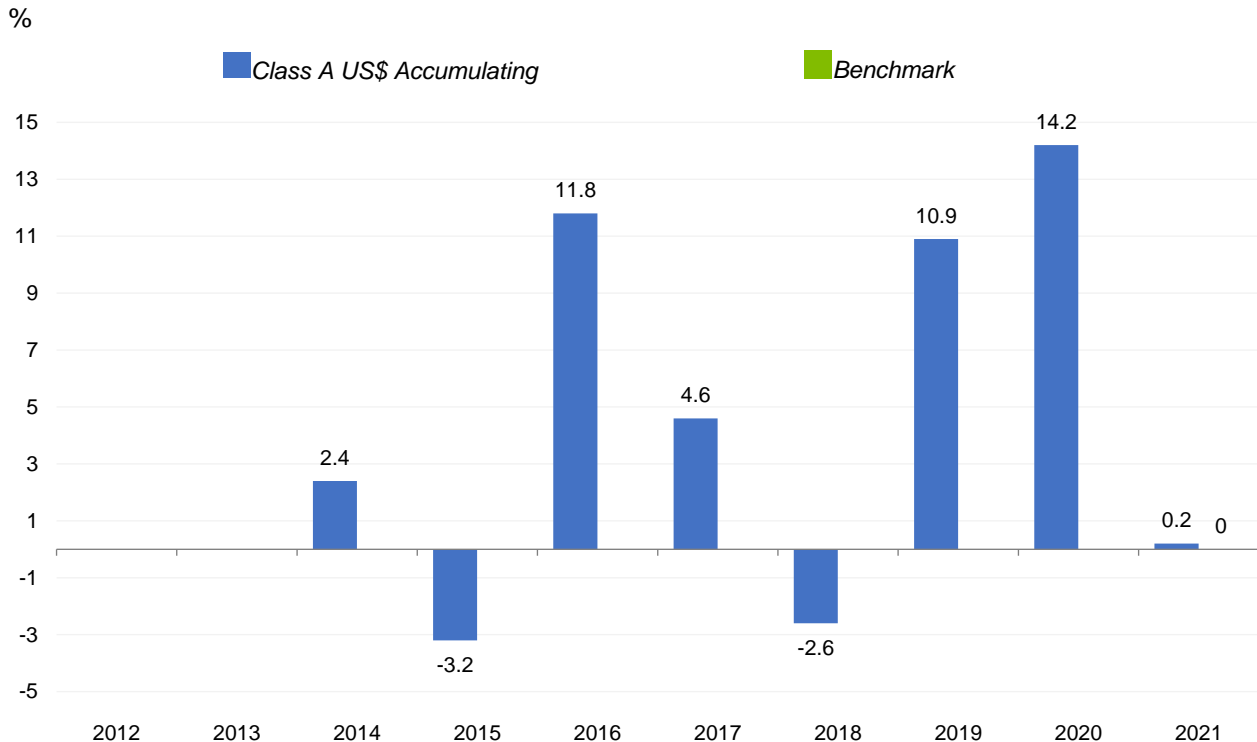
value of RMB against the investors' base currencies (for example US Dollars) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

- **Risk of Investing in Distributing Plus Share Classes:** Distributing Plus share classes may pay dividends out of capital. The payment of dividends out of capital effectively amounts to a return or withdrawal of an investor's original capital investment or of capital gains attributable to that original investment. Such distribution will result in a corresponding immediate decrease in the net asset value per share of the share classes. There is also an increased risk that on a redemption, you may not receive back the full amount invested. The distribution amount and net asset value of the Distributing (Hedged) Plus Share Class may be adversely affected by differences in the interest rates of the reference currency of the Distributing (Hedged) Plus Share Class and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other share classes.



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HOW HAS THE FUND PERFORMED?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much Class A US\$ Accumulating* increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance
- Fund launch date: 2013.
- Class A US\$ Accumulating* launch date: 2013.
- With effect from March 2020, the benchmark of the Fund is FTSE 3-month US Treasury Bill Index.

* This share class is a representative share class of the Fund as it represents the total return on the Fund's investment strategy and is the most widely available share class in Hong Kong.

IS THERE ANY GUARANTEE?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.



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WHAT ARE THE FEES AND CHARGES?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

Fees in respect of each Class A Share Class	What you pay
Subscription Fee (Initial Sales Charge)	Up to 5.00% of the amount you subscribed
Switching Fee	Not applicable
Redemption Fee	Not applicable

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments:

Expenses in respect of each Class A Share Class*	Annual rate (as a % of the Fund's NAV)
Management Fee	Up to 1.10%
Combined Administration and Depositary Fee	Up to 0.15%
Performance Fee	Not applicable
Shareholder Servicing Fee	Up to 0.15%

*For Hedged Share Classes, (i) the Currency Administrator is entitled to receive fees for hedging administration services (currently charged at 0.04% per annum of the value of the hedging transactions), which shall be borne exclusively by the relevant Hedged Share Class; and (ii) the Collateral Manager is entitled to receive fees for its collateral management services in relation to currency hedging (such fees not exceeding GBP 340 per month for the Fund), which shall be charged only to the relevant Hedged Share Classes.

Other fees

You may have to pay other fees when dealing in the shares of the Fund.

ADDITIONAL INFORMATION

- You generally buy and redeem shares at the Fund's next-determined net asset value (NAV) after the authorised dealer or sub-distributor receives your request in good order on or before 4:00 p.m. in New York (EST) on any relevant dealing day. Certain dealer or sub-distributors may impose a deadline for receipt of orders that is earlier than this.
- The NAV of this Fund is calculated on each dealing day and published no later than the second business day immediately succeeding each dealing day on www.leggmason.com.hk.
- In respect of Distributing Plus Share Classes, the composition of dividend payouts (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Hong Kong Representative on request and on our website, www.leggmason.com.hk.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from our website, www.leggmason.com.hk.

IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.