



**FRANKLIN  
TEMPLETON**

**Product Key Facts**  
**Legg Mason Global Funds Plc -**  
**Legg Mason Western Asset US Government Liquidity Fund**

Issuer: Legg Mason Asset Management Hong Kong Limited

Last updated: April 2022

- **This statement provides you with key information about Legg Mason Western Asset US Government Liquidity 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):** Western Asset Management Company Limited (located in the UK)

**Sub-Investment Manager (internal delegation):** Western Asset Management Company, LLC (located in the 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<sup>#</sup>:**

Class A US\$ Accumulating: 0.10%<sup>1</sup>

Class A US\$ Distributing (D): 0.10%<sup>1</sup>

<sup>#</sup> The ongoing charges figure is expressed as a percentage of the expenses over the average net asset value ("NAV") of the share class for the corresponding period as described below. This figure may vary from year to year.

<sup>1</sup> This figure is based on the expenses for the 12-month period from 1 September 2020 to 31 August 2021 and the average NAV of the share class for the corresponding period. Expenses in the relevant period take into account the Investment Manager's voluntary waiver of part of the management fee. Investors should note that such waiver may be revised or discontinued at any time at the discretion of the Investment Manager without prior notice subject to any applicable legal and regulatory requirements, and the ongoing charges may increase when the waiver is reduced or discontinued.

**Dividend Policy:**

For Class A Distributing (D) Share Classes – any dividends will be declared and paid daily<sup>^</sup>

For Class A Accumulating Share Classes, no distributions will be made and any net income attributable to that class will be accrued daily in the NAV per Share.

<sup>^</sup>The NAV per Share for the Distributing Class of the Fund is calculated and expressed to two (2) decimal places, rendering it sensitive to movements in its NAV per Share of 0.50% and above. At the time of each dividend declaration: (1) all, or some portion of, net investment income, if any, will be declared as a dividend; and (2) all, or some portion, of realised capital gains net of realised and unrealised capital losses may be, but is not required to be, declared as a dividend.

**Minimum Investment:**

Class A USD – US\$1,000 (Initial)

There is no minimum for subsequent investment.

**WHAT IS THIS PRODUCT?**

Legg Mason Western Asset US Government Liquidity 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 the Central Bank of Ireland. The Fund is a short-term public debt constant NAV Money Market Fund in accordance with the requirements of the Central Bank Regulations.

The purchase of Shares in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Manager has no obligation to redeem Shares at the offer value and the Fund is not subject to the supervision of the Hong Kong Monetary Authority.

**Distributing Share Classes and Accumulating Share Classes:**

The Fund seeks to maintain a constant NAV per Share of US\$1.00 in respect of its Distributing Share Classes. The Net Asset Value per Share of the Accumulating Share Class of the Fund will fluctuate.



## OBJECTIVE AND INVESTMENT STRATEGY

**Objective:** The Fund seeks to maintain the capital – or principal - value of the Fund at a constant basis and provide a return in line with money market rates. The Fund is a Money Market Fund seeking to achieve a constant NAV by adopting an amortised cost method of valuation for all investments.

### Strategy:

The Fund invests at least 99.5% of its NAV in:

- (i) eligible Money Market Instruments issued or guaranteed separately by the European Union, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country (including the US), the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which one or more Member States belong and which issuers may include, without limitation, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Farm Credit Banks Funding Corporation and Federal Home Loan Bank ("Public Debt Money Market Instruments")<sup>1</sup>;
- (ii) eligible reverse repurchase agreements<sup>1</sup> secured with Public Debt Money Market Instruments; and
- (iii) cash deposits held in US Dollars.

By way of derogation, the Fund is authorised by the Central Bank to invest up to 100% of its NAV in Public Debt Money Market Instruments provided that (i) it holds Public Debt Money Market Instruments from at least six different issues by issuer, (ii) and that it limits the investment in Public Debt Money Market Instruments from the same issue to a maximum of 30% of its NAV.

The Fund invests at least two-thirds of its NAV in Public Debt Money Market Instruments denominated in US Dollars and issued by US issuers.

All investments in Money Market Instruments must be determined by the Sub-Investment Manager to be of high quality. A prudent internal credit quality assessment procedure is applied for determining the credit quality of the Money Market Instruments held by the Fund, the details of which are further outlined in the Fund's Supplement in the Prospectus.

The Fund will limit the weighted average maturity of its portfolio to 60 days or less and will limit the weighted average life of its portfolio to 120 days or less. In addition, the investments held by the Fund will be limited to securities and instruments which have a residual maturity until the legal redemption date of less than or equal to 397 days.

The Fund complies on an ongoing basis with the eligible assets and portfolio rules applicable to Money Market Funds (as defined in the Prospectus) as further described in the Fund's Supplement in the Prospectus.

The Fund's maximum exposure to reverse repurchase transactions (over-the-counter based), based on the notional value of such instruments, is 100% of its NAV. It is expected that the Fund will have exposure to these instruments in the range of 0% to 30% of its NAV.

The NAV of the Fund (at a fund level) shall be calculated using amortised cost method of valuation for all investments, and the Investment Manager has implemented escalation procedure to review the deviation between the amortised cost value and the mark-to-market or mark-to-model value (or both) of the Fund's underlying assets (the "Deviation"). The Directors will monitor the Deviation to ensure that the amortised cost valuation method continues to be in the best interests of the Shareholders and to provide a fair valuation of the investments of the Fund (the "Deviation Monitoring"). As part of the Deviation Monitoring, in the event of a Deviation of 0.50% or more with respect to the value of the Fund's assets on any Dealing Day, the Fund's NAV per Share may be issued using a mark-to-market or mark-to-model valuation (or both) rather than using the amortised cost method of valuation (the "Deviation Policy").

<sup>1</sup> The eligibility criteria for Public Debt Money Market Instruments and reverse repurchase agreement applicable to the Fund are further described in the Fund's Supplement in the Prospectus.



## USE OF DERIVATIVES/ INVESTMENT IN DERIVATIVES:

The Fund does not intend to use financial derivative instruments for any purpose.

## 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 in relation to constant NAV:** The Fund may experience periods of heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets, which may have a significant adverse effect on the ability to maintain a constant US\$1.00 NAV per Share in respect of the Distributing Share Class of the Fund. There is no guarantee that the Fund will be able to maintain a constant NAV, or that the Distributing Class will maintain a constant NAV per Share of US\$1.00. In the event any money market fund fails to maintain a constant NAV, other money market funds, including the Fund, could face a market-wide risk of increased redemption pressures, potentially jeopardizing the stability of the US\$1.00 NAV per Share in respect of the Distributing Share Class.
- **Risk associated with reverse repurchase transactions:** If the seller of a reverse repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the 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.
- **Risk of investing in Money Market Funds:** The purchase of Shares in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The value of an investment in the Fund, in contrast to a deposit, may fluctuate. There is no obligation on the Fund to redeem shares at the offer value. The Fund is not subject to the supervision of the Hong Kong Monetary Authority.
- **Debt Securities Risk:** Investments in debt securities are subject to risks such as credit risk, market risk, liquidity risk, interest rate risk, valuation risk and pricing volatility, which may cause substantial losses to the Fund. 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. Generally, and in the absence of hedging measures, the longer the average weighted duration of a fund, the greater the sensitivity to interest rates. Investment Grade securities may be subject to the risk of being downgraded to below Investment Grade. 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 of exposure to adverse conditions.
- **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. Not all government debt securities are backed by the full faith and credit of the relevant government. Some are backed only by the credit of the issuing agency, instrumentality or sponsored entity, although they may be implicitly guaranteed by the relevant government. There is a chance of default on all government securities, particularly those not backed by the full faith and credit of the relevant government.
- **Risk of Unsecured European Bank Debt Instruments:** Investments in capital or senior unsecured debt issued by EU domiciled financial institutions that are being affected by the Banking Recovery & Resolution Directive (Directive 2015/59/EU, "BRRD") are subject to the BRRD resolution regime. In the event of resolution, the repayment and/or liquidity of such investments may be adversely affected and the Fund may suffer a substantial loss as a result.

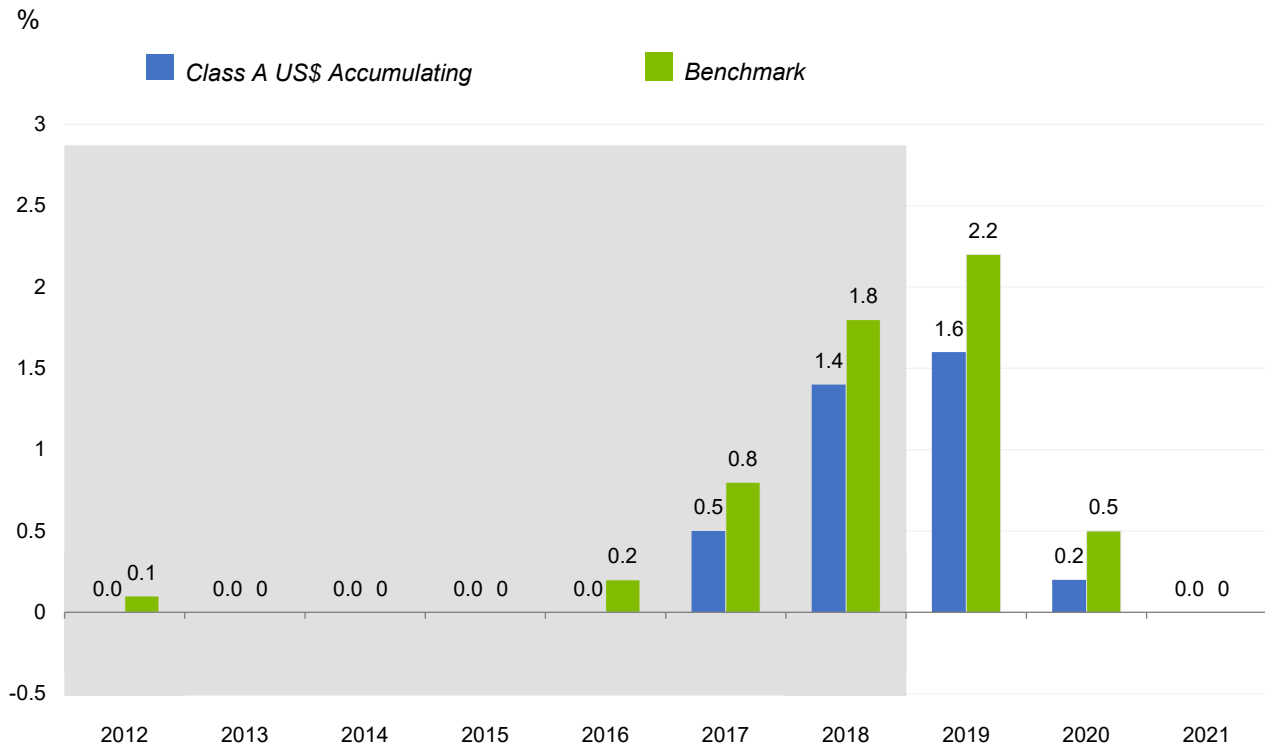


- **Interest Rate Risk:** The value of debt securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity the greater are such variations.
- **US Markets Risk:** The Fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other funds that invest in a broader range of regions.
- **Money Market Credit Risk:** The credit rating of a money market instrument may be downgraded if the issuer is regarded as less likely to meet interest payments, meaning its value would fall and the Fund may have to sell it. This could result in a loss to the Fund. The Fund is also subject to a risk of loss due to default by a counterparty to make required payments or otherwise comply with the terms of the contract.
- **Liquidity Risk:** In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to sell or liquidate such investments or to sell them at a significant discount to the purchase price hence the Fund may suffer a substantial loss.
- **Concentration Risk:** This Fund may select fewer securities, countries or regions in which to invest and this concentration carries more risk than funds investing in a larger number of securities, countries or regions. This can increase the volatility of the Fund than that of a fund having a more diverse portfolio of investments and risk of loss to the Fund.
- **Currency Risk:** Fluctuations in exchange rates between the currency of the underlying securities and the Fund's base currency may adversely affect the value of an investment and any income derived from it. In addition, the value of your investment may fall due to changes in the exchange rate between the currency of your share class and the base currency of the Fund. With respect to any share class with "(Hedged)" in its name, the Fund will attempt to hedge the currency risk between the base currency of the Fund and the currency of the share class, although 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 and/or the currencies that are significant to the Fund's investment strategy, as applicable. Any hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, may involve certain other risks, including the risk of a default by a counterparty, and the risk that the Fund's forecast with respect to currency movements is incorrect. If the abovementioned hedging transactions become ineffective, the Fund may suffer a substantial loss.
- **Risk in relation to Accumulating Share Class:** The initial offer price per Share of the Accumulating Share Class during the Initial Offer Period was US\$100.00 but it does not aim to maintain a constant NAV per Share. Dividends will not be declared for the Accumulating Share Class and any net investment income attributable to that class will be accrued daily in respect of its NAV per Share. Such accrued net income is not interest-bearing, is not segregated from the main portfolio of the Fund and can be re-invested to purchase further eligible assets. Practically speaking, the difference between the Distributing Class and the Accumulating Class is mainly that investors of the Accumulating Class will only get the accrued net investment income upon redemption, whereas investors of the Distributing Class will get the net investment income upon distribution on a regular basis by the Fund. The net investment income received by two investors who hold the same value of Distributing Class and Accumulating Class Shares for the same period of time should be the same. However, investors in the two Share Classes have different risk profiles, as an Accumulating Share Class investor will remain exposed to the Fund for the value of their principal investment plus any accrued net investment income, whereas a Distributing Share Class investor is exposed to the value of only their principal investment. The Accumulating Share Class investors are therefore subject to the additional risk that, in the event of significant losses incurred by the Fund, they receive none, or less than the full amount, of accrued net investment income upon redemption of their Shares.



FRANKLIN  
TEMPLETON

#### HOW HAS THE FUND PERFORMED?



The investment objective, policy and/or restrictions were changed in 2017 and 2019. As a result, the performances of these years were achieved under circumstances that may no longer apply.

- 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 the 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.
- Fund launch date: 2004.
- Class A US\$ Accumulating\* launch date: 2007.
- The benchmark of the Fund is FTSE 1-Month US Treasury Bill Index (formerly known as Citi 1 Month U.S. 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.



## 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
Liquidity Fee	Under circumstances set forth under "Liquidity Management Procedures" in the Fund's Supplement in the Prospectus, liquidity fees may be imposed on redemptions to adequately reflect the cost to the Fund of achieving liquidity and to ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period.

### 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 0.80%
Combined Administration and Depositary Fee	Up to 0.15%
Performance Fee	Not applicable
Shareholder Servicing Fee	Not applicable

### 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 NAV after the authorised dealer or sub-distributor receives your request in good order on or before 4:00 p.m. in New York (Eastern Time) in the United States on the relevant Dealing Day or such other time as the Directors may decide and notify in advance to shareholders; provided that on any day when the NYSE, the FRBNY or the US bond markets (as recommended by the US Securities Industry and Financial Markets Association ("SIFMA")) close early due to an unanticipated event, or if trading on the NYSE is restricted or if there is an emergency, the Dealing Deadline may be at the time of any such closing time but no later than 4.00 pm in New York (Eastern Time) in the United States. When SIFMA recommends an early close to the US bond markets on a business day before or after a day on which a US holiday is celebrated, the Dealing Deadline may be at or prior to the SIFMA recommended closing time but no later than 4.00 pm in New York (Eastern Time) in the United States or such other time as the directors may decide and notify in advance to the shareholders. Certain dealers or sub-distributors may impose a deadline for receipt of orders that is earlier than this.
- The NAV of the 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](http://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](http://www.leggmason.com.hk).



**FRANKLIN  
TEMPLETON**

**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.