



**FRANKLIN  
TEMPLETON**

**Product Key Facts**  
**Legg Mason Global Funds Plc -**  
**Legg Mason Royce US Small Cap Opportunity Fund**

Issuer: Legg Mason Asset Management Hong Kong Limited

Last updated: April 2022

- **This statement provides you with key information about Legg Mason Royce US Small Cap Opportunity 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):** Royce & Associates, LP  
(located in USA)

**Depositary:** 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: 1.94%<sup>1</sup>

Class A US\$ Distributing (A): 1.94%<sup>1</sup>

Class A EUR Accumulating: 1.94%<sup>1</sup>

Class A EUR Accumulating (Hedged): 1.97%<sup>1</sup>

Class A AUD Accumulating (Hedged): 1.97%<sup>1</sup>

Class A HKD Accumulating: 1.94% (estimated)<sup>2</sup>

Class A CAD Accumulating (Hedged): 1.97% (estimated)<sup>2</sup>

Class A GBP Accumulating (Hedged): 1.97%<sup>1</sup>

Class A NZD Accumulating (Hedged): 1.97% (estimated)<sup>2</sup>

Class A CNH Accumulating (Hedged): 1.97%<sup>1</sup>

<sup>#</sup> 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.

<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 net asset value of the share class for the corresponding period.

<sup>2</sup> This figure is the Investment Manager's best estimate of the expenses and the average net asset value of the share class over a 12 month period based on information available on another active share class of the Fund with similar fee structure, as this share class is newly established or is yet to be launched.

**Dividend Policy:**

For Class A Distributing (A) Share Classes – any dividends will be declared annually and paid in March

No distributions will be made for Class A Accumulating 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 CAD – CAD 1,000 (Initial)

Class A GBP – GBP 1,000 (Initial)

Class A NZD – NZD 1,000 (Initial)

Class A CNH – CNH 6,000 (Initial)

There is no minimum for subsequent investment.

**WHAT IS THIS PRODUCT?**

Legg Mason Royce US Small Cap Opportunity 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 achieve long-term capital appreciation.

**Strategy:** The Fund invests at least 70% of its net asset value in a diversified portfolio of equity securities issued by small-cap and micro-cap US companies (i.e., US companies with stock market capitalisations not greater than that of the largest company (based on



market capitalisation) in the Russell 2000 Index\* at the time of its most recent reconstitution) that are listed or traded on regulated markets in the United States.

The Investment Manager invests the Fund's assets in these companies in an attempt to take advantage of what it believes are opportunistic situations for undervalued securities. Such opportunistic situations may include turnarounds, emerging growth companies with interrupted earnings patterns, companies with unrecognised asset values or undervalued growth companies. A maximum of 10% of the Fund's net asset value may be invested in units or shares of other collective investment schemes.

The Investment Manager uses a value method in managing the Fund's assets. In selecting securities for the Fund, the Investment Manager evaluates the company's balance sheet, the level of its cash flows and various measures of the company's profitability. The Investment Manager then uses these factors to assess the company's current worth, basing this assessment on either what it believes a knowledgeable buyer might pay to acquire the entire company or what it thinks the value of the company should be in the stock market. The Investment Manager invests in securities of companies that are trading significantly below its estimate of the issuer's current worth.

The Fund may invest up to 5% of its net asset value in convertible debt securities that have contingent write down or loss absorption features.

\* The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

## USE OF DERIVATIVES/ INVESTMENT IN DERIVATIVES:

The Fund's net derivative exposure<sup>1</sup> may be up to 50% of the Fund's net asset value.

<sup>1</sup> 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.**

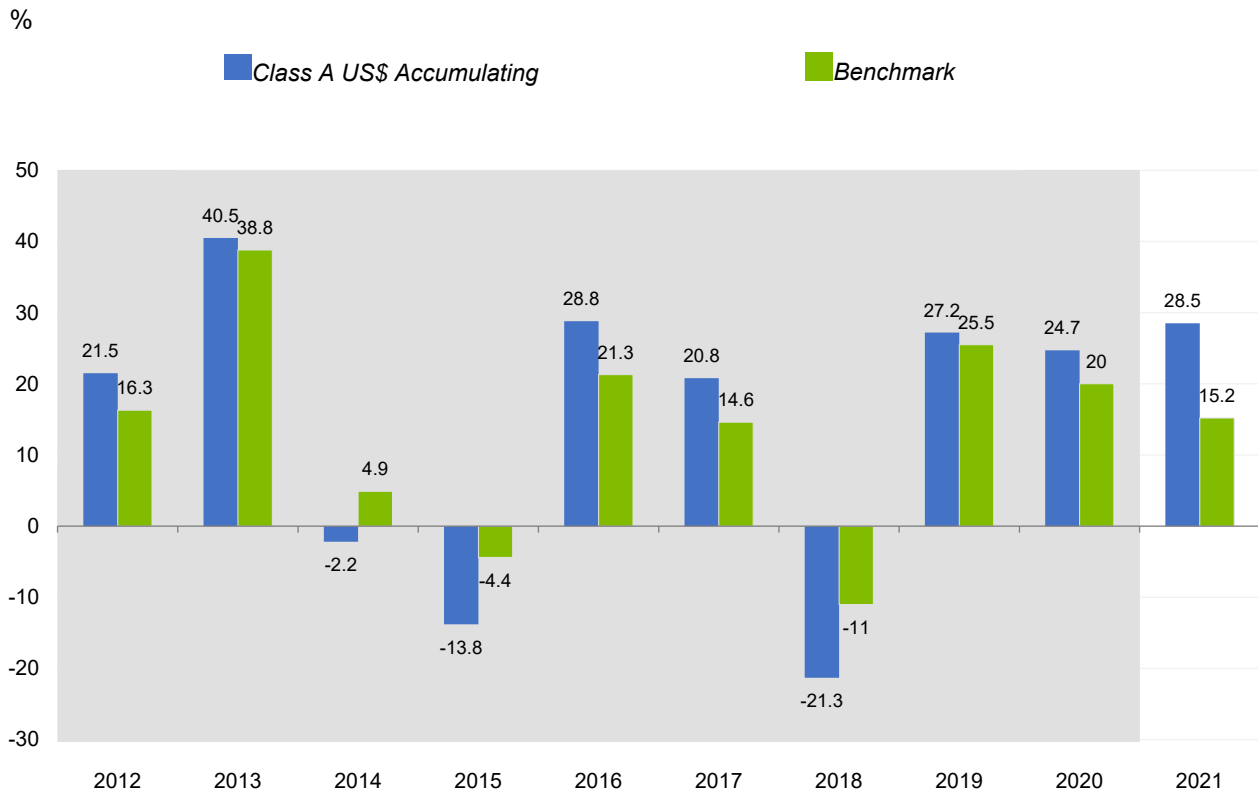
- **Smaller Company Risk:** Securities of smaller companies generally are less liquid and more volatile than those of larger companies; and smaller companies generally are more likely to be adversely affected by poor economic or market conditions. These factors may adversely affect the value of the securities owned by, hence a substantial loss to, the Fund.
- **US Markets Risk:** This 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.
- **Equity Market Risk:** Investing in equity market is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. 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, hence a substantial loss to, the Fund.
- **Investment Style Risk:** The Fund may take significant, long-term positions that the Investment Manager believes are undervalued by the market. Companies in which the Fund invests may remain out of favour with the market for extended periods of time. The Fund may continue to hold, and in some cases add to, a declining position so long as the Investment Manager continues to view the market as incorrectly valuing the security. As a result, the Fund may face the risk of mis-estimation by the Investment Manager in its fundamental analysis regarding the companies in which the Fund invests. The performance of the Fund may not closely correlate to specific market indices over time and may include extended periods of underperformance as compared to the broader market.
- **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.



- **Custody and Settlement Risks:** The Fund may invest in markets where custodial and/or settlement systems are not fully developed. Such investments may be subject to additional risks with respect to the safe keeping of assets and making of investments, hence the Fund may suffer a substantial loss.
- **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.
- **Market Risk:** An investor may experience 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.
- **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 value of RMB against the investors' base currencies (for example Hong Kong 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.
- **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.



## HOW HAS THE FUND PERFORMED?



■ The investment objective, policy and/or restrictions were changed in 2021. 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: 2002
- Class A US\$ Accumulating\* launch date: 2007
- Effective 17 May 2021, the benchmark of the Fund was changed from Russell 2000 Index to Russell 2000 Value Index as it is more reflective of the Fund's investment policies.

\* 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
<b>Subscription Fee (Initial Sales Charge)</b>	Up to 5.00% of the amount you subscribed
<b>Switching Fee</b>	Not applicable
<b>Redemption Fee</b>	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)
<b>Management Fee</b>	Up to 1.50%
<b>Combined Administration and Depositary Fee</b>	Up to 0.15%
<b>Performance Fee</b>	Not applicable
<b>Shareholder Servicing Fee</b>	Up to 0.35%

\* For Hedged Share Classes, (i) the Currency Administrator is entitled to receive fees for hedging administration services (currently charged at a rate of 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](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).

## 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.