

Legg Mason Global Equity Income Fund

This Final Short Report covers the year to 28 February 2014

Fund Facts

Fund Inception date:	23 May 2008
Total Net Assets:	£22.6m
Income Payments Dates:	31 January, 30 April, 31 July, 31 October
OCF Class 'A' Acc:	1.78%
OCF Class 'A' Inc:	1.78%
OCF Class 'X' Acc:	1.03%
OCF Class 'X' Inc:	1.03%
XD Dates:	28 February (final), 31 May, 31 August, 30 November

Investment Manager

The Fund's investment manager is ClearBridge Investments, LLC which is authorised and regulated by the SEC. The principal business activity of ClearBridge Investments, LLC is investment management.

Summary Investment Objective and Policy

The objective of the Fund is to achieve income and capital growth through investment primarily in a range of equity and equity-related securities. The Fund seeks to achieve its objective by investing globally in quality companies that are trading at low prices relative to their intrinsic value. There is a focus on dividend yield and potential for capital growth. The Fund may also invest in other investments as permitted by the Financial Conduct Authority Rules as applicable from time to time and as explained in the Prospectus

Legg Mason Global Equity Income Fund Review

The Legg Mason Global Equity Income Fund rose by 19.19% in sterling terms during the period under review while its benchmark, the MSCI World Index, recorded a gain in sterling terms of 10.22%. In terms of its country positioning, the Fund retained significant exposures to the UK, France and the US. At a sector level, the manager favoured the financials, industrials and consumer discretionary segments, while its underweight positions included healthcare, information technology and energy.

Regarding performance over the period, the Fund's returns were driven by stock selection, although sector allocation had a small but positive impact. Investments in information technology (IT) and industrials added the most value. Stock picking in the consumer discretionary, financials and materials sectors also proved beneficial. At a sector allocation level, the Fund's underweight exposure to healthcare, the best performing over the 12-month period, was detrimental, as was the small but significant cash position. However, overweights to the consumer discretionary and materials sectors boosted relative returns.

Looking ahead, after 2013's surge, the manager is not as surprised as some to see a degree of volatility in the market. The recent sell-off appears to be the most meaningful correction in some time as the market has shrugged off a handful of solid earnings reports. In the manager's opinion, the market is working off the year-end rally after growing somewhat extended in 2013. Despite the volatility in January, the manager is encouraged by the dividend increases seen within the Fund and continues to believe that dividend yields will provide a major part of equity returns in 2014. The manager believes the Fund is well positioned for this outcome.

Major Holdings

Top 5 largest investments as at 28.02.14		Top 5 largest investments as at 28.02.13	
Allianz	2.43%	Allianz	2.84%
Merck	1.86%	CapitaRetail China Trust	2.69%
Saft	1.78%	Merck	2.23%
Indra Sistemas	1.78%	Novartis	2.14%
BNP Paribas	1.78%	Irish Continental	2.06%

Fund Performance

Share Class	Pence per share 28.02.14	Pence per share 28.02.13	Net Asset value % Change
Class 'A' (acc)	159.61	133.86	19.24
Class 'A' (inc)	128.52	111.54	15.22
Class 'X' (acc)	122.41	101.92	20.10
Class 'X' (inc)	115.35	–	–

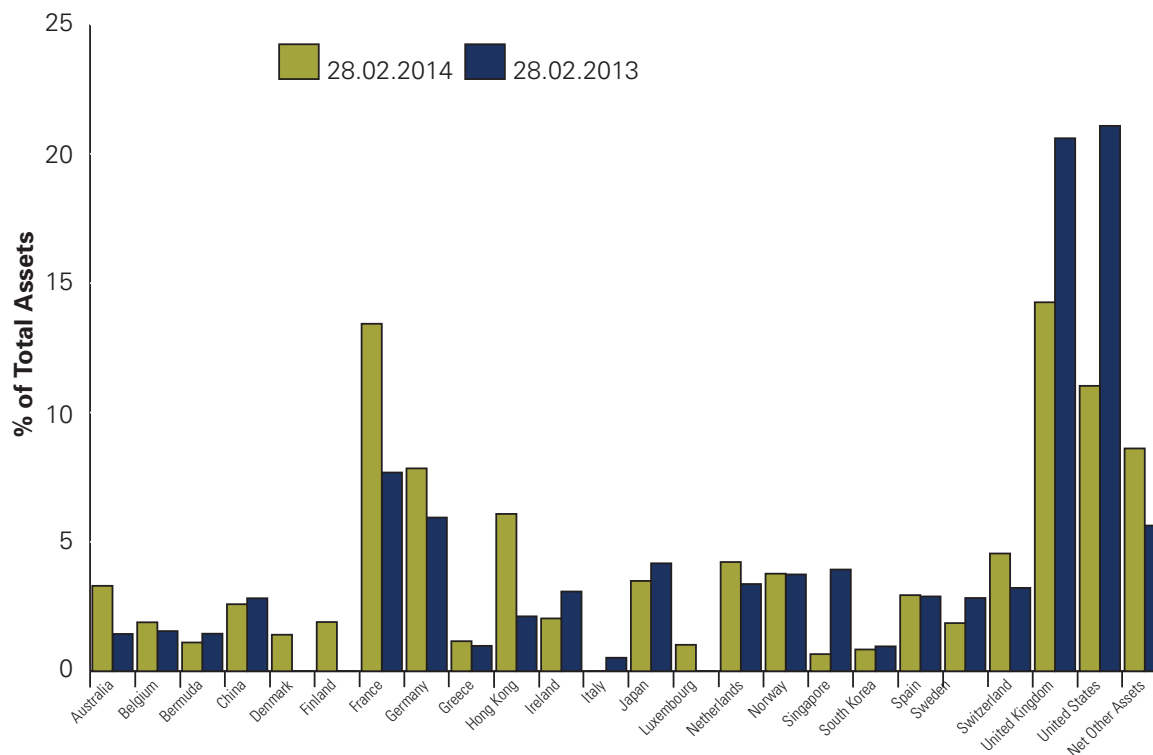
Performance History

	2014-2013	2013-2012	2012-2011	2011-2010	2010-2009	5 years	Since Launch
Class 'A' (acc)	19.19	16.47	3.05	10.03	34.53	111.75	60.07

Source for performance figures: Legg Mason. Performance is calculated on a NAV to NAV basis. The performance reflects all fees and charges payable by the fund but does not reflect any entry or exit charge that might be payable. For performance purposes only, any distributed income (with the deduction of UK income tax) has been reinvested.

Past performance is no guide to future returns and may not be repeated.

Legg Mason Global Equity Income Fund (continued)



Share Price Range and Net Income Distribution

Calendar Year	Net Income per share (pence)	Highest share price (pence)	Lowest share price (pence)
2009			
Class 'A' (acc)	3.7277	102.20	70.90
Class 'A' (inc)	3.6291	95.91	69.09
2010			
Class 'A' (acc)	3.4665	112.90	95.81
Class 'A' (inc)	3.2274	102.70	88.90
2011			
Class 'A' (acc)	3.8180	118.50	101.00
Class 'A' (inc)	4.2330	105.40	89.79
2012			
Class 'A' (acc)	4.6975	123.20	106.60
Class 'A' (inc)	4.0434	103.20	91.00
2013			
Class 'A' (acc)	5.1528	155.50	123.30
Class 'A' (inc)	4.2866	125.80	103.30
Class 'X' (acc) ³	3.0011	119.10	99.10
Class 'X' (inc) ⁴	0.7322	112.70	95.70
2014			
Class 'A' (acc)	1.4678 ¹	159.80 ²	151.10 ²
Class 'A' (inc)	1.1895 ¹	129.20 ²	122.20 ²
Class 'X' (acc)	1.1148 ¹	122.60 ²	115.90 ²
Class 'X' (inc)	1.0629 ¹	116.00 ²	109.60 ²

¹ To 30 April 2014.

² To 28 February 2014.

³ Launched 30 January 2013.

⁴ Launched 10 June 2013.

Legg Mason Global Equity Income Fund (continued)



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection.

The Fund is in its risk/reward category because it invests in shares of companies from various sectors which have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Liquidity: 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 minimise a loss on such investments.

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

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

Fund currency: Changes in exchange rates between the currencies of investments held by the fund and the fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Annual Report and Financial Statements

This report is to inform unitholders on the activities of the Fund during the reporting period, and the results of those activities at the end of the reporting period. For more information please contact the Authorised Corporate Director. Copies of the full Long Form Report and the Key Investor Information Document are available free of charge upon request from the Client Services Team on 0207 070 7444.

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