

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



FRANKLIN
TEMPLETON

Legg Mason IF Western Asset Retirement Income Bond Fund

Class A Income

ISIN: GB0033505313

A sub-fund of: Legg Mason Funds ICVC (the "Company")

Managed by: Legg Mason Investment Funds Limited, part of the Franklin Templeton group of companies.

Objectives and Investment Policy

Objective

The fund's goal is to provide a regular income, greater than current interest rates in the UK, whilst maintaining the value of the fund.

Investment Policy

- The fund will invest mostly in bonds issued by corporations and governments. The fund may also invest in asset-backed securities, which are bonds that provide the bondholder with regular payments dependent on the cash-flow arising from a specified pool of assets such as car loans.
- The fund will invest at least 60% of its assets in higher rated global corporate bonds and UK government bonds.
- The fund may invest up to 35% of its assets in lower rated global bonds.
- The fund's investments may be exposed to currencies other than Pound Sterling, although the portfolio manager will attempt to hedge all non-Pound Sterling positions back to Pound Sterling.
- The fund may use derivatives (financial instruments whose value is derived from the value of other assets) to reduce the risk of movements in exchange rates between the currency of the investments held by the fund and base currency of the fund itself (hedging).

Benchmark: A composite of: (a) 50% ICE BofA Sterling Corporate 1-10 Years Index; (b) 30% Bloomberg Barclays U.S. High Yield Corporate 2%

Issuer Capped Index (GBP Hedged); and (c) 20% ICE BofA U.K. Gilts 1-10 Years Index

Manager's Discretion: The fund is actively managed, and the investment manager is not constrained by the benchmark. The investment manager has discretion in selecting investments within the fund's objective and investment policies. The benchmark is used for performance comparison purposes and by the investment manager in measuring and managing investment risk. Most of the fund's investments will be components of the benchmark, although the weightings of the fund's holdings may differ from those of the benchmark and will normally include instruments not included in the benchmark. The investment manager may overweight such investments in the benchmark and include other non-benchmark instruments which it considers to offer more attractive risk/ and reward characteristics and may underweight or not invest at all in other benchmark investments which the investment manager considers less attractive.

Recommendation: This fund may not be appropriate for investors who plan to withdraw their money within 3 years.

Dealing Frequency: You can buy, sell and switch your shares on each day that the London Stock Exchange is open for business.

Minimum Initial Investment: For this share class the minimum initial investment is GBP 3,000.

Treatment of Income: For this share class net income is declared and paid monthly to shareholders.

Risk and Reward Profile



The indicator is based on the volatility of the returns (past performance) of the reported share class (calculated on a 5 year rolling return basis). Where a share class is inactive / has less than 5 years of returns, the returns of a representative benchmark are used.

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 and you may not get back the amount invested.

The fund is in its risk/reward category because mixed investments in UK government and global bonds have historically been subject to relatively small fluctuations in value.

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

Bonds: There is a risk that issuers of bonds held by the fund may not be able to repay the investment or pay the interest due on it, leading to losses for the fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

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.

Low rated bonds: The fund may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds.

Asset-backed securities: The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the fund. These types of investments may also be difficult for the fund to sell quickly.

Derivatives: The use of derivatives can result in greater fluctuations of the fund's value and may cause the fund to lose as much as or more than the amount invested.

Hedging: The fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the fund and base currency of the fund itself (hedging). However, hedging transactions can also expose the fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the fund.

Interest rates: Changes in interest rates may negatively affect the value of the fund. Typically as interest rates rise, bond values fall.

Interbank offered rates: The use of IBORs (the rates at which banks are prepared to lend to one another) is changing and may affect the value of the fund, or investments held by the fund. The transition away from IBORs may impact markets that rely on IBORs to determine interest rates and may reduce the value of IBOR-based investments.

Fund counterparties: The fund may suffer losses if the parties that it trades with cannot meet their financial obligations.

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.

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.

Charges

One-off charges taken before or after you invest	
Entry charge	none
Exit charge	none
This is the maximum that might be taken out of your money before it is invested (entry charge) and before the proceeds of your investment are paid out (exit charge).	
Charges taken from the fund over a year	
Ongoing charge	0.42%
Charges taken from the fund under certain specific conditions	
Performance fee:	none

The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

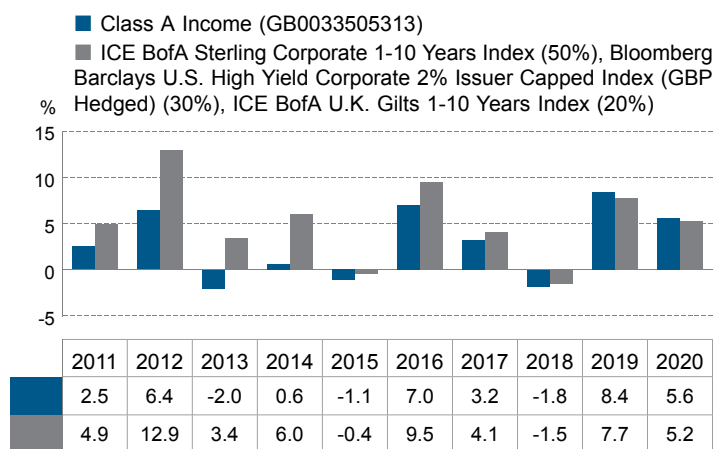
Entry and exit charges shown are the maximum that might be taken out of your money. In some cases, you might pay less and you should speak to your financial adviser about this.

If you switch funds within the Company, you may be charged a maximum 1.00% entry charge on your new fund.

The ongoing charge is based on expenses for the 12 month period ending December 2020. This figure may vary over time.

For more information about charges, please see the 'Fees and Expenses' section in the fund's prospectus and relevant appendix.

Past Performance



1 Performance prior to 24 November 2015 was achieved under circumstances that no longer apply, because the investment objective and policy was different.

The fund was launched on 12 February 1998 and the share class began issuing shares on 12 February 1998.

Past performance has been calculated in GBP.

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 has been reinvested. From the 6 April 2017 any distributed income being reinvested will be gross of UK income tax.

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

Further information on the fund's performance is available at www.leggmason.com/global.

Practical Information

Depository: The Bank of New York Mellon (International) Limited

Further Information: Additional information about the Company (including the prospectus, annual and half-yearly reports and accounts and the remuneration policy) may be obtained in English free of charge upon request to Legg Mason Investment Funds Limited, 201 Bishopsgate, London EC2M 3AB and at www.leggmason.com/global.

Price Publication: The latest share price is published at www.leggmason.com/fund-prices.

Tax Legislation: The fund is subject to the tax law and regulation of the UK. Depending on your own country of residence, this might have an impact on your personal tax position. For further details, please speak to your financial adviser.

Liability Statement: Legg Mason Investment Funds Limited, the authorised corporate director of the Company, may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund.

Structure: The Company has a number of different sub-funds. The assets and liabilities of each sub-fund are segregated by English law from the assets and liabilities of each other sub-fund. The prospectus and the periodic reports are prepared for the Company as a whole.

Switching Between Funds: You are entitled to exchange your investment in the fund for shares in another sub-fund of the Company. You may be required to pay a switching charge for this. Further information on how to exercise this right can be found in the prospectus.