

Legg Mason Brandywine Global Opportunistic Fixed Income Trust



Investment objective

The Legg Mason Brandywine Global Opportunistic Fixed Income Trust (the 'Trust') aims to outperform the Citigroup World Government Bond Index (AUD hedged) by 2% p.a. over three to five years (before fees).

Investment strategy

The Trust is an actively managed portfolio of sovereign bonds, corporate bonds, mortgage securities and currencies. The sovereign bonds component can include debt issued in emerging markets, up to 15% of the total trust value. Currency exposure is predominantly hedged to the Australian dollar, although the Trust has an actively-managed component (up to 25%) as an additional source of potential value add.

Investment style

The investment style of the fund manager is based on a benchmark-agnostic, value-driven approach. The fund manager seeks to identify relative value in fixed income and currency markets globally, and then concentrate the investment strategy in those undervalued markets where they believe economic conditions provide the best opportunity for declining interest rates (higher bond prices). Portfolio positions may deviate significantly from the benchmark weighting, given the fund manager's belief that the value of fixed income benchmarks as an investment guide are limited by the nature of their construction (ie. based on the size of debt issued, rather than value opportunities).

About the fund manager

The fund manager of the Trust is Brandywine Global (Brandywine), a Legg Mason fund manager.

Brandywine was established in 1986, and is based in Philadelphia. With 150 employees worldwide, the firm manages \$US33 billion in AUMs.

Brandywine's dedicated fixed income team is composed of portfolio managers, analysts and traders with decades of combined experience. Head portfolio managers David Hoffman and Stephen Smith both have 35 years of investment experience.

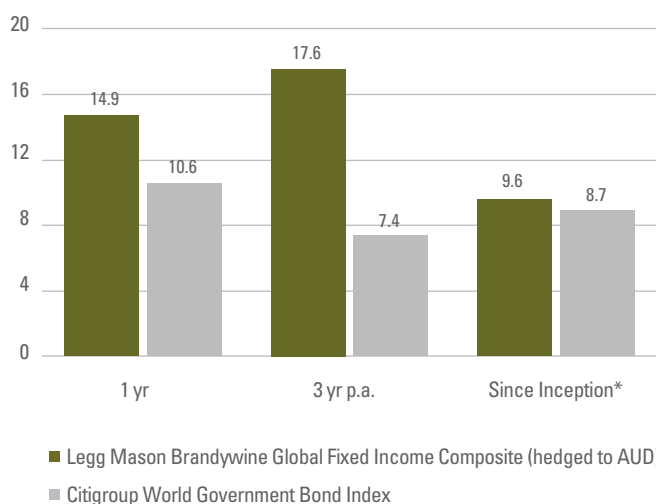
Key features of the Trust

RETURN OBJECTIVE	Outperform the benchmark by 2% p.a. over three to five years (before fees)
BENCHMARK	Citigroup World Government Bond Index (AUD hedged)
POSITION LIMITS	5% corporate bond issuer limit, maximum individual holding, 20% maximum sector holding
HEDGING POLICY	At least 75% hedged to AUD. Actively managed currency exposure up to 25%
TRUST CREDIT RATING	Average weighted rating of A or higher
EMERGING MARKETS	Maximum 15% of the Trust. Maximum 5% for any emerging market country
DURATION LIMITS	Between one and ten years

Portfolio update

Given the Australian version of the Legg Mason Brandywine Global Opportunistic Fixed Income Trust has only recently commenced, the information below is drawn from the Global Opportunities Fixed Income Hedged Composite in Australian dollars. While both invest according to the same investment strategy, there is no guarantee that performance will be equal between the two products.

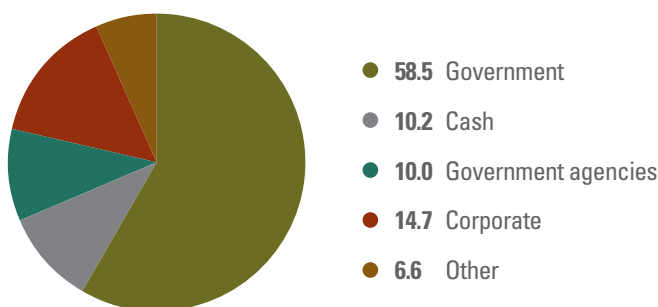
Performance before fees as at 31 December 2011



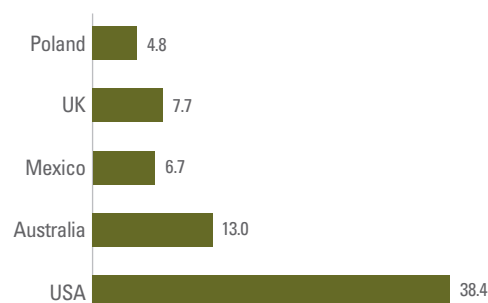
Past performance is not a reliable indicator of future performance.

* Inception date 31 March 2007.

Asset allocation (%) as at 31 December 2011



Top 5 countries (%) as at 31 December 2011



Key Statistics

Number of securities	40
Modified duration	6.8 years
Current yield	4.9%

Further information

Please contact visit www.leggmason.com.au or contact your Business Development Manager

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