

# Legg Mason Global Multi Sector Bond Trust

Getting the full spectrum in fixed income?



# What is the Trust's investment objective?



The Trust aims to maximise total return through income and capital appreciation.

## A total return focus

### Capital and income components

The Legg Mason Global Multi Sector Bond Trust (Trust) is designed to maximise total return. Both income and capital appreciation are expected to contribute positively to performance over a full economic cycle.

## Multi sector fixed income

### Global reach, specialist teams

With over 180 investment specialists and teams that cover every major fixed interest sector, Western Asset Management (Western) has the global reach in fixed income that few other fund managers can match.

## Flexible sector rotation

### Inbuilt risk mitigation

One of the key advantages of a global multi sector fund is the ability to rotate between different fixed income sectors without the need to redeem and reinvest into new funds. Western makes the decisions and implements the strategies on behalf of the investor.

## 39 years fixed income experience

### Western Asset Management

Western is one of the world's leading fixed income managers with offices in eight countries and AU\$456 billion under management as at March 2011.

For 39 years it has concentrated exclusively on the active management of fixed income portfolios. Western's capabilities span the fixed income spectrum, from low risk government bonds to higher risk sectors like emerging markets and high yield. Western's scale provides the coverage, expertise and resources to operate a genuine global multi sector operation.

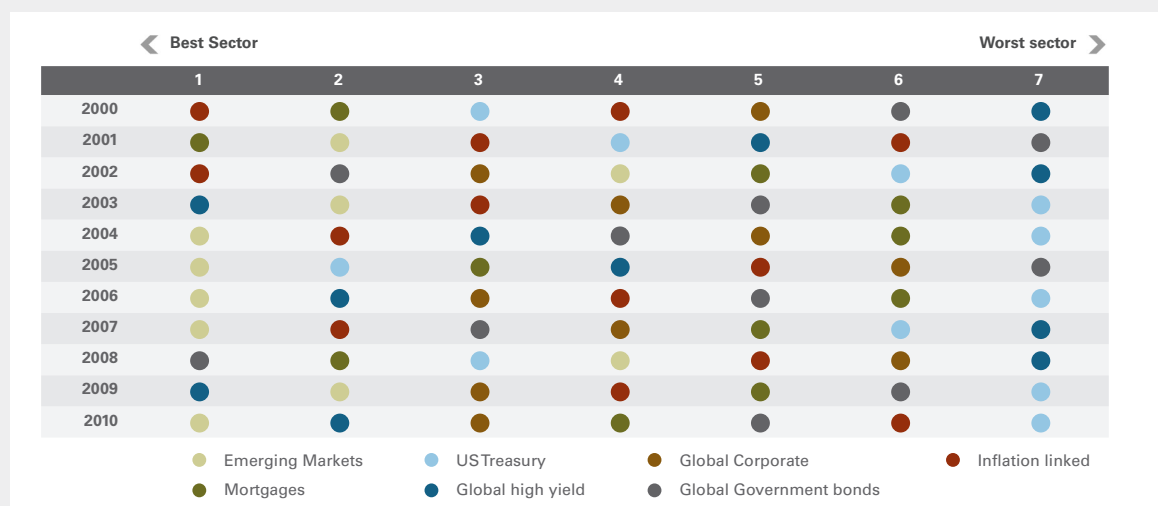
## Attractive cash flow yield

**8.5% as at 30 June 2011**

The high yield attributes of the Trust stem from its ability to invest in higher yielding assets. The 8.5% yield for the Trust compares favourably with the 10 year government bond yield, which was 5.2% at 30 June 2011.

## With sectors performing differently, comes opportunity

This chart shows the importance of holding a diversified portfolio, given that changing market conditions impact different market sectors. It also reveals how managers with the scope to invest in a wide set of sectors can take advantage of these changes and offer investors a degree of resilience in normal market conditions.



Data as of 31 December 2009. Source: Bloomberg 0-3 mths US Treasury Bills; Merrill Lynch US Treasury Bills 0-3 mths. EMD Local: JP Morgan Global Bond Index Emerging Market Local Unhedged, Global Corporate (USD); Merrill Lynch Global Broad Market Corporate Index, Global Government Bonds (USD); Merrill Lynch Global Government Bond Index; Global Government Inflation Linked (USD); Merrill Lynch Global Governments, Inflation-Linked Index, Global High Yield (USD); Merrill Lynch Global High Yield Index, Mortgages: Merrill Lynch Mortgage Master Index.

# Are you getting the full spectrum in fixed income?

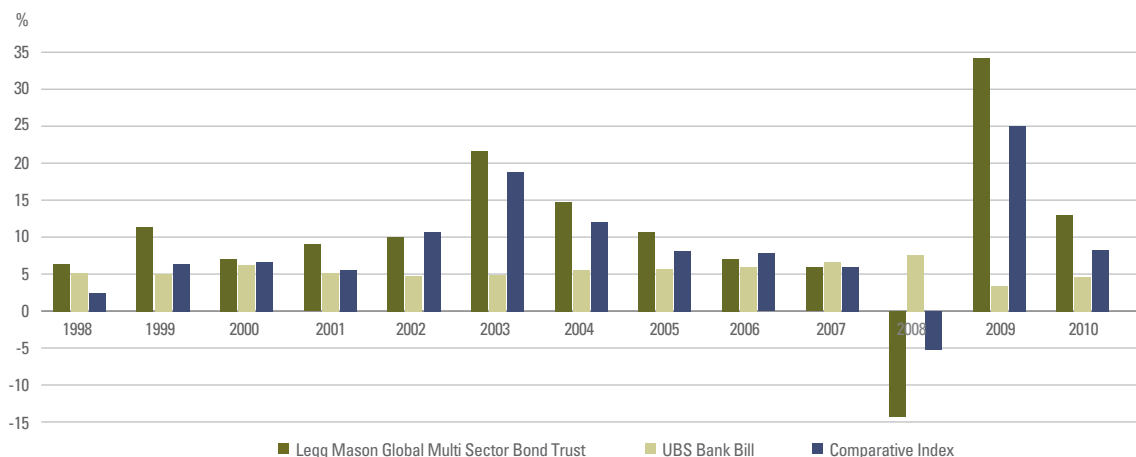
The Legg Mason Global Multi Sector Bond Trust aims to bring you the best that global fixed income has to offer. The Trust employs a 'go anywhere, best ideas' investment philosophy from one of the world's largest fixed income fund managers, Western.

A multi sector style means you gain access to a wide range of global fixed income markets in a single Australian domiciled fund. The Trust combines the more 'traditional' forms of fixed income such as government and corporate bonds with higher yielding (and higher risk) sectors, such as emerging markets, high yield and asset-backed securities. Over time, the allocations to each sector can vary (or rotate) as the Trust targets only the best opportunities across sectors through the full business cycle.

Global fixed income markets are continually evolving. The multi sector style is designed to invest opportunistically and take advantage of innovations across the fixed income landscape. The 'go anywhere, best ideas' qualities of a global multi sector style can provide access to investment opportunities that would otherwise be unavailable to single sector fixed income approaches.

Legg Mason believes that only a fully equipped fund manager has the necessary scale of resources to unlock the potential of global fixed income markets. A global multi sector style presents the best of what Legg Mason and its affiliated fund manager Western has to offer to Australian fixed income investors.

## How has GMS performed?



Past performance is not a reliable indicator of future performance. Returns are calculated before fees, hedged to Australian dollars and based on the global composite GMS up to 1 August 2006. Returns from this date onwards are based on Legg Mason Global Multi Sector Bond Trust.

As of December 2008 the Comparative Index was comprised of 50% Barclays Capital Aggregate Index; 25% Barclays Capital High Yield Index-2% Issuer Cap; 25% JP Morgan EMBI+ Index. From October 2005 to November 2009 the Comparative Index is comprised of 50% Lehman Global Aggregate Index; 25% Lehman Brothers High Yield Index-2% Issuer Cap; 25% JP Morgan EMBI+ Index. From January 2002 to September 2005 the Comparative Index was comprised of 50% Lehman Global Aggregate Index; 25% Lehman Brothers High Yield Index; 25% JP Morgan EMBI+ Index. Prior to that, the Comparative Index was comprised of 50% Citigroup World Government Bond Index; 25% Lehman Brothers High Yield Index; 25% JP Morgan EMBI+ Index.

## Key features

### Comparative index

50% Barclays Capital Global Aggregate Index  
25% J.P. Morgan Emerging Markets Bond Index Plus  
25% Barclays Capital US Corporate High Yield 2% Issuer Constrained

All hedged into Australian dollars.

### Target investors

Investors with a moderate risk profile and medium term investment horizon seeking to maximise total return.

### Minimum average credit rating

BBB-

### Maximum currency exposure

20% Aggregate

### Frequency of unit pricing

Daily

### Inception

July 2006

For updated performance please visit [www.leggmason.com.au](http://www.leggmason.com.au)

## Examples of multi sector assets

### Government bonds (developed markets)

Bonds issued by governments in the developed countries (such as the U.S., U.K. and Australia) and backed by those governments. Generally offer lower yields than corporate bonds as the default risk is generally considered minimal.

### Government bonds (emerging markets)

Bonds issued by governments in the developing countries (such as Brazil, India and Russia) and backed by those governments. Generally offer higher yields than the bonds of developed countries as their economies are not considered as stable or strong. This is reflected in a higher credit risk rating.

### Corporate securities (investment grade)

Bonds issued by companies that have an investment grade rating (BBB or higher). Can offer higher yields than government bonds and they are backed by the financial resources of the company issuing them.

### Corporate securities (high yield)

Bonds issued by companies that have a sub-investment grade rating (below BBB). Can offer higher yields than their investment grade counterparts as their credit quality is not considered as strong.

### Asset-backed securities

Debt securities that often pay an income stream based on the performance of an underlying pool of assets. Mortgage-backed securities are a particular type of asset-backed instrument that pays a return backed by a pool of mortgages.

## Further Information

Please contact Legg Mason on freecall 1800 679 541 or visit our website at [www.leggmason.com.au](http://www.leggmason.com.au)

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