



DELAWARE MEMORIAL BRIDGE, DELAWARE

LEGG MASON PRODUCT DISCLOSURE STATEMENT

Legg Mason Global Value Equity Trust

4 AUGUST 2008

FRONT COVER

The Delaware Memorial Bridge is a set of twin suspension bridges crossing the Delaware River.

The first span of the Delaware Memorial Bridge opened in August 1951. A second span, similar but not identical to the first, opened in September 1968. The bridge serves as a memorial to members of the armed forces from Delaware and New Jersey who died in World War II, the Korean War and the Vietnam War. The bridge is 2,150 feet long and is the world's longest twin-span bridge.

Global Currents Investment Management, sub-advisor of the Legg Mason Global Value Equity Trust, is headquartered in Wilmington, Delaware.

Source Text: Delaware Historical Society

Photograph: Delaware River and Bay Authority

IMPORTANT INFORMATION

Legg Mason Asset Management Australia Limited (ABN 76 004 835 849, AFSL 240827) ("Legg Mason Australia"), the Responsible Entity for the Legg Mason Global Value Equity Trust (ARSN 127 583 699) ("Trust") has prepared this Product Disclosure Statement ("PDS"). This PDS is not a recommendation to invest in the Trust and does not take into account your financial objectives, situation or needs. Investments are subject to risks, some of which are outlined in this PDS. Neither Legg Mason Australia nor Global Currents Investment Management, LLC ("Global Currents Investment Management") guarantee any profit or recovery of capital from an investment in the Trust. It is important that you understand and accept the risks before you invest and you should seek professional financial advice prior to making an investment decision.

Legg Mason Australia issues units in the Trust on the terms and conditions described in this PDS, the Constitution of the Trust and the Corporations Act. Unitholders are bound by the PDS and the Constitution. Units in the Trust are only available to investors that receive this PDS (electronically or otherwise) in Australia. Investors should not rely on information about the Trust that is not contained in this PDS or the Constitution.

In this PDS, all fees and costs are expressed in Australian dollars inclusive of GST less any reduced input tax credits. A reference to a "Business Day" refers to a day on which banks are open for business in Melbourne, Australia. References to "you" or "your" refers to you as the reader of the PDS and "we" and "our" refers to Legg Mason Australia.

Global Currents Investment Management has not prepared, authorised or caused the issue of this PDS. Global Currents Investment Management has consented only to the inclusion in the PDS of the statements about them in the form and context in which they are included and this consent has not been withdrawn.

Neither State Street Australia Limited nor any of its employees or officers were involved in the preparation or distribution of this PDS and they have not authorised or otherwise caused the issue of this PDS. State Street Australia Limited does not accept any responsibility arising in any way for errors or omissions in this PDS. State Street Australia Limited's obligations are limited to the provision of services to Legg Mason Australia and it has not undertaken any obligations to investors.

Information in this PDS was correct at the date of printing and is subject to change, including changes to the Trust's investment guidelines, processes, fees, expenses and other material matters. For updated information, please refer to www.leggmason.com.au or contact us. A paper copy of updated information will be provided to unitholders on request. For material changes, a new or supplementary PDS may be issued and unitholders notified as required by the Corporations Act. Updates should be read in conjunction with the latest PDS. A copy of the Trust's Constitution is also available on request.

LEGG MASON AUSTRALIA

Legg Mason Australia is the Australian asset management business of Legg Mason, Inc. Legg Mason Australia holds an Australian Financial Services Licence.

Legg Mason, Inc. is a pre-eminent global asset management firm that is listed on the New York Stock Exchange. Through its asset management affiliates, Legg Mason, Inc. managed assets totalling US\$950 billion as at 31 March 2008. Legg Mason, Inc.'s asset management affiliates include Batterymarch Financial Management, Brandywine Global Investment Management, Global Currents Investment Management, Legg Mason Capital Management, Legg Mason International Equities, The Permal Group and Western Asset Management Company.

Legg Mason Australia offers a range of investment strategies managed by its asset management affiliates. The strategies are applied across Australian and global equities, property, fixed income, cash, balanced and alternative investments.

Legg Mason Australia has delegated management of the Trust's assets to Global Currents Investment Management. Global Currents Investment Management has extensive experience in global equity investment management and employs a disciplined investment approach.

How to contact Legg Mason Australia

Please contact Legg Mason Australia if you require further information or if you have any questions regarding this PDS.



Free call 1800 679 541



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Melbourne Vic 3001

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Melbourne Vic 3000

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KEY FEATURES

Feature	Summary
Investment objective	The Trust aims to earn a before fees and taxes return in excess of the benchmark by at least 3% p.a. over rolling three to five-year periods.
Benchmark	Morgan Stanley Capital International ("MSCI") World (ex Australia) Index, expressed in Australian dollars.
Investment approach Refer to page 4 for more information	The Trust aims to achieve the investment objective by holding a diversified portfolio of global equities that focuses on active security selection.
Risks Refer to page 4 for more information	The returns on your investment may be below your expectations and you risk losing your capital.
Minimum initial investment and holding	\$500,000. We have the discretion to accept lower amounts.
Fees and other costs Refer to page 5 for more information	BUY/SELL SPREAD ±0.55% relative to the net asset value ("NAV"), equating to \$2,750 for an application or redemption of \$500,000. MANAGEMENT FEE 0.867% p.a. of the NAV, equating to \$4,335 p.a. for an investment of \$500,000. INDIRECT COST RATIO An Indirect Cost Ratio is not yet available. An estimate of the Indirect Cost Ratio is 1.000% of the NAV, equating to \$5,000 p.a. for an investment of \$500,000.
Unit prices Refer to page 7 for more information	An Entry Price and an Exit Price will generally be determined for each Business Day.
Distributions Refer to page 7 for more information	The Trust may distribute income at 31 December and will distribute income (if any) at 30 June each year.
Eligible Investors	Any person who is a "wholesale client" under the Corporations Act, as described in the "Standing Application for Units" form.

LEGG MASON GLOBAL VALUE EQUITY TRUST

The Trust offers Eligible Investors:

- exposure to an actively managed exposure to a value orientated global equity portfolio; and
- diversification benefits that would be difficult to achieve through direct investment.

Investment Process

- The investment universe comprises publicly traded global equity securities outside Australia with a market capitalisation of greater than US\$100 million and sufficient liquidity.
- The portfolio may invest in developed market countries (comprising countries in the MSCI World [ex Australia] Index, such as the U.S., France and the U.K.) and emerging market countries (comprising countries in the MSCI Emerging Markets Index, such as China, Russia and Brazil) across all Global Industry Classification Standard ("GICS") sectors, such as Financials, Industrials and Materials.
- The process seeks to identify securities that are attractively valued and have potential for future growth.
- The outcome is a value orientated, actively managed portfolio of global equity securities. In this context, "value" refers to the strategy of the investment manager selecting securities that it perceives as trading for less than their value.
- Value added is expected to come primarily from underlying security selection.

Other considerations

The Trust does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments. Decisions to invest in, retain or realise investments are based on the stated investment process.

Investment Guidelines

The Trust generally aims to:

- invest in securities with market capitalisations of greater than US\$100 million; and
- limit investments in emerging market countries to 15% of the portfolio;
- limit investment in any single:
 - country to 50% of the portfolio, except the U.S., which is limited to 75%;
 - security to 5% of the portfolio;
 - GICS sector to 35% of the portfolio; and
 - industry to 15% of the portfolio.

Investment Performance

Trust investment performance is published on our internet site at www.leggmason.com.au/en/product_performance/australia. Legg Mason Australia claims compliance with the Global Investment Performance Standards (GIPS ©), as developed by the CFA Institute.

Risks

All investments involve risks. Different asset classes have different inherent risk characteristics.

Investments in the Trust are subject to the following specific risks:

- market risks, including declines in asset prices, unfavourable economic conditions, inflation and lack of liquidity (in this context, "lack of liquidity" means investments may not be readily disposed of);
- manager risks, including human error, system failures, poor procedures, lack of management controls, termination of the Trust, counterparty risk, changes in fees,

replacement of the Responsible Entity and replacement of Global Currents Investment Management;

- investment risks, including benchmark performance that is below unitholder expectation and/or the Trust not meeting its investment objective;
- country risks, including changes in government regulation and adverse currency movements; and
- the risks of implementing investment decisions using derivatives, including market risks, manager risks, the risks of a derivative position unexpectedly not corresponding with the intended exposure, and the risks of a derivative position inadvertently not being backed by cash, cash equivalents or securities. A derivative position that is not appropriately backed will cause the portfolio to be inadvertently leveraged.

Techniques used to manage risks include:

- extensive research;
- active portfolio management;
- monitoring economic factors;
- maintaining disciplined management controls;
- auditing operational procedures; and
- managing derivatives in accordance with Legg Mason Australia's Derivative Risk Statement, as discussed in the "Derivatives" section of this PDS, including backing derivatives with cash, cash equivalents or securities.

FEES AND OTHER COSTS

Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs table

This table shows fees and other costs that you may be charged for Class A units. These fees and other costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole. Investors investing through an IDPS should note that the fees outlined in the following table do not include any other fees imposed by their IDPS operator.

Type of fee or cost	Amount	How and when paid
Fees when unitholder money moves in or out of the Trust ⁽¹⁾		
Establishment fee The fee to open your investment	Nil.	Not applicable.
Contribution fee The fee on each amount contributed to the unitholder's investment	Nil.	Not applicable. However, under the Trust's Constitution we may charge a Contribution Fee of up to 2%.
Withdrawal fee The fee on each amount the unitholder takes out of their investment	Nil.	Not applicable. However, under the Trust's Constitution we may charge a Withdrawal Fee of up to 2%.
Termination fee The fee to close the unitholders investment	Nil.	Not applicable.
Management costs ⁽²⁾ The fees and costs for managing the unitholder's investment		
Investment costs	0.888% p.a. of the NAV, equating to \$4,440 p.a. for a constant investment of \$500,000.	Reflected in unit prices daily and deducted from the Trust quarterly in arrears.
Other Trust costs (estimated)	0.112% p.a. of the NAV, equating to \$560 p.a. for a constant investment of \$500,000.	Where such costs can be reliably estimated they are accrued throughout the financial year, reflected in unit prices and deducted from the Trust at time of payment. Otherwise they are reflected in unit prices upon invoice and deducted from the Trust at time of payment.
Service fees		
Investment switching fee The fee for changing investment options	Nil.	Not applicable.

(1) Please see "Buy/Sell Spread" and "Duty" under the heading "Additional explanation of fees and costs".

(2) Please see "Negotiated fees" under the heading "Additional explanation of fees and costs".

ADDITIONAL EXPLANATION OF FEES AND COSTS

Investment costs

The Investment costs identified in the "Fees and other costs" table comprise a Management Fee of 0.867% p.a. and a Responsible Entity Fee of 0.021% p.a.

- **Management Fee:** refer to the following "Classes of units" section for information on how this fee is calculated and charged. Under the Trust's Constitution, we may charge a Management Fee of up to 5% p.a. of the NAV and a Performance Fee of up to 30% of the amount by which the return attributable to the class for the relevant period exceeds the Benchmark. No Performance Fee is currently charged.
- **Responsible Entity fee:** the Responsible Entity Fee is reflected in unit prices and deducted from the Trust quarterly in arrears. Under the Trust's Constitution, we may charge a Responsible Entity Fee of up to 1% p.a. of the NAV.

Negotiated fees

Legg Mason Australia may negotiate differential fee arrangements. Please contact Legg Mason Australia to determine eligibility. There is no particular manner in which fees may be negotiated.

Other Trust costs (estimated)

The Other Trust costs identified in the "Fees and other costs" table are based on the estimated expenses that may be incurred for a financial year. Under the Constitution, Legg Mason Australia is entitled to recover from the Trust all expenses which are incurred in the proper performance and exercise of its powers and duties. Consequently, the expenses that are actually recovered may be higher than the estimated Other Trust costs.

Other Trust costs include the fees, costs and expenses of the Trust (including those of the Responsible Entity, the Custodian and the

Administrator). Other Trust Costs may also include financial institution fees, costs of unitholders' meetings, costs of amending the Constitution, costs of engaging auditors and/or other advisers, costs of promoting the Trust, costs of compliance, costs of New South Wales duty and administrative costs generally.

Transactional and operational costs

In addition to the Other Trust costs, the Trust may incur transactional and operational costs such as brokerage, settlement and clearing costs. Transactional and operational costs incurred as a result of unitholders coming into and going out of the Trust may be accounted for in the Buy/Sell Spread. Other transactional and operational costs are additional costs to unitholders that are deducted from the assets of the Trust. Such costs are recovered as they are incurred and reflected in the unit price.

It is not possible to come up with a meaningful estimate of transactional and operational costs because the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs not covered in the Buy/Sell Spread. Further, due to the highly variable drivers upon which such transactional and operational costs are dependent, any estimate provided may not be indicative of future transactional and operational costs not covered in the Buy/Sell Spread.

Buy/Sell Spread

The Entry Price reflects a spread of +0.55% relative to NAV and the Exit Price reflects a spread of -0.55% relative to the NAV. Assuming an application of \$500,000, the Buy/Sell Spread would be \$2,750. The Buy/Sell Spread represents an allowance for the estimated costs of trading securities as a consequence of unitholders transacting. The Buy/Sell Spread seeks to ensure that the interests of existing unitholders are not

diluted by transacting unitholders. Legg Mason Australia does not benefit from the Buy/Sell Spread.

Changes to the fees and expenses

All fees and expenses can change, without the consent of unitholders, subject to any maximum amount specified in the Constitution.

Rebates and related payments

Legg Mason Australia complies with the Guide on Rebates and Related Payments in the Wealth Management Industry and the Code of Practice on Alternative forms of Remuneration issued by the Investment and Financial Services Association/Financial Planning Association. Legg Mason Australia may make product access payments and fund manager payments to IDPS operators. Legg Mason Australia may also pay other alternative forms of remuneration. Alternative remuneration is at Legg Mason Australia's expense. Information regarding alternative forms of remuneration is maintained on a register maintained by Legg Mason Australia that is available for inspection.

Indirect Cost Ratio

The Indirect Cost Ratio is the ratio of the Trust's management costs that are not deducted directly from a unitholder's account, against the Trust's total average net assets. The Indirect Cost ratio is the sum of the Management costs that are described in the "Fees and other costs" table. The Indirect Cost Ratio of the Trust is calculated each year at 30 June. As the Trust was not funded at 30 June 2007, an Indirect Cost Ratio is not yet available. An estimate of the Indirect Cost Ratio is 1.000%, equating to \$5,000 p.a. for an investment of \$500,000.

Example of annual fees and costs

This table provides an example of how fees and costs for the Trust can affect your investment over a one-year period. You should use this table to compare the Legg Mason Global Value Equity Trust with other managed investment products.

Example – Legg Mason Global Value Equity Trust	Balance of \$500,000 with total contributions of \$5,000 during year	
Contribution fees ⁽¹⁾	Nil.	For every \$5,000 you put in, you will be charged nil.
Plus management costs	1.000%	And for every \$500,000 you have in the Trust you will be charged \$5,000 each year.
Equals cost of fund		If you put in \$5,000 during a year and your balance was \$500,000, then for that year you will be charged fees of \$5,000 ⁽¹⁾ . What it costs you will depend on the fees that you negotiate with the Trust.

(1) The Buy/Sell Spread also applies.

Classes of units

Legg Mason Australia currently offers two classes of units – Class A units and Class X units. Legg Mason Australia may offer or withdraw classes of units. Eligible investors should nominate which class of units they are applying for. In the absence of a nomination, new investors will be issued with class A units. The rights of a unitholder differ depending upon the class of units that the unitholder holds, as follows:

- **Class A units** reflect the deduction of the Management Fee from the unit price; and
- **Class X units** do not reflect the deduction of the management fee in the unit price. The Management Fee is agreed by negotiation and charged separately.

Unit price calculation

Entry and Exit Prices are based on the NAV of the Trust, the number of units on issue and the Buy/Sell Spread. In normal circumstances, Entry and Exit Prices will be determined for each Business Day. Legg Mason Australia may declare Entry and/or Exit Prices more or less frequently or may delay calculation in certain circumstances.

Legg Mason Australia has a policy in relation to exercising discretion in calculating unit prices which is available upon request.

Application for and redemption of units

Application requests received before 11.00 am on a Business Day will generally receive the Entry Price for that Business Day. Application requests received after 11.00 am on a Business Day will generally receive the Entry Price for the next Business Day. Legg Mason Australia reserves the right not to accept an application request.

Redemption requests received before 11.00 am on a Business Day will generally receive the Exit Price for that Business Day. Redemption requests received after 11.00 am on a Business Day will generally receive the Exit Price for the next Business Day.

Your units may be compulsorily redeemed or a redemption request refused where you hold less, or a redemption would cause you to hold less, than the minimum holding amount (unless the redemption request relates to the balance of your holding). Legg Mason Australia may compulsorily redeem your units if you cease to be, or cannot prove that you are, an Eligible Investor.

Payment of redemptions

Redemption proceeds are typically paid within ten Business Days, although the Constitution allows us up to 30 Business Days or longer in certain circumstances. Legg Mason Australia may deduct money owed by you from a redemption. Proceeds from redemption will be paid in accordance with the unitholders' instructions or as agreed with Legg Mason Australia.

Redemption requests of more than 5% of the units on issue in the Trust may be treated as five separate requests, each for 1/5 of the original request received on five successive Business Days. Redemption requests of more than 10% of the number of units on issue in the Trust over five consecutive Business Days may have the excess paid within 45 Business Days of the original request.

Distributions

The Trust may distribute the income of the Trust at 31 December and will distribute income (if any) at 30 June each year. A unitholder's entitlement to distributions of income is determined based on the number of units held on the distribution date. Distributions will be paid within 60 days. Unitholders who redeem units during a distribution period will not receive a distribution of income in respect of those units for that distribution period. The amount of the income distributed to the unitholder will also depend on the class of units held, to reflect the different management fee arrangements for the different classes.

Distributions will generally be paid within 60 days of the end of the relevant distribution period. Unitholders who redeem units during a distribution period will not receive a distribution of income in respect of those units for that distribution period.

You may use the "Standing Application for Units" form to reinvest distributions. Reinvested distributions will be taken to be issued on the next day after the distribution calculation date.

Derivatives

Derivatives may be used to implement investment decisions. In this context, "derivatives" are financial products whose return is linked or derived from changes in the value of an underlying asset. Derivatives are generally more timely and cost-effective to buy and sell than the underlying asset. Derivatives are not used for speculation where speculation is defined as derivatives activity that would result in the net exposure being outside of the Investment Guidelines. Derivative positions are fully backed by cash, cash equivalents or securities and are governed by Legg Mason Australia's Derivative Risk Statement, available at www.leggmason.com.au/en/fiduciary_standards/index.

Custodian and Administrator

State Street Australia Limited is the Custodian of the Trust. State Street Australia Limited also provides administration services for the Trust pursuant to an Administrative Services Agreement. State Street Australia Limited does not oversee Legg Mason Australia's management of the Trust and is not responsible for protecting the rights and interests of unitholders. Legg Mason Australia can terminate State Street Australia Limited's appointment as Custodian and/or Administrator in the circumstances specified under respective agreements governing these relationships.

OTHER RIGHTS & OBLIGATIONS

The Responsible Entity and the Constitution

The Trust's Constitution, the Corporations Act and general legal principles govern Legg Mason Australia's responsibilities as the Responsible Entity of the Trust. Legg Mason Australia's duties include acting honestly and in the best interest of unitholders; to treat unitholders of the same class equally and unitholders of different classes fairly; and to exercise care and diligence. The terms and conditions of the Constitution are binding on Legg Mason Australia and on unitholders. Some of the key terms and conditions which are governed by the Constitution and/or the Corporations Act include:

- the nature and entitlements of units in the Trust;
- amendments to the Constitution and how meetings of unitholders can be called and operated;
- termination of the Trust and the retirement of Legg Mason Australia as Responsible Entity;
- the powers of Legg Mason Australia to make investments on behalf of the Trust;
- the considerations and powers of Legg Mason Australia in accepting applications and paying redemptions;
- the processes and procedures when the Trust is not liquid;
- the indemnity which Legg Mason Australia is owed by the Trust; and
- details of the Compliance Committee and the Compliance Plan.

Legg Mason Australia will provide investors with a free copy of the Constitution upon request.

Reporting

Legg Mason Australia will confirm transactions to unitholders in the Trust and provide quarterly reporting that identifies the Trust's investment performance, provides market commentary, documents the units issued and/or redeemed over the quarter and the balance of units held. Unitholders will be sent the audited accounts of the Trust and other information as required under the Corporations Act at financial year's end.

Investing via an IDPS or a master trust

Investors accessing the Trust indirectly through an Investor Direct Portfolio Scheme ("IDPS") or a master trust do not acquire the rights of a unitholder. Rather, the operator acquires the units and the rights of a unitholder, meaning that the right to receive distributions, confirmations, reports, attend meetings and make complaints. The rights of IPDS or master trust investors, including the taxation implications of investing, should be set out in disclosure documents issued by the IPDS or master trust operator.

Related party dealings

Legg Mason Australia may transact business with related parties on "arms' length" terms, whether the related-party acts as agent or principal. Legg Mason Australia may delegate its functions to related parties or other third parties. Legg Mason Australia may invest in other trusts for which we are the Responsible Entity.

Anti-money laundering

Anti-money laundering laws in Australia may require Legg Mason Australia to obtain additional information to verify the identity of an investor, any underlying beneficial owner of units in the Trust and the source of any

payment. The processing of applications or redemptions may be delayed or suspended until the requested information is provided in a satisfactory form.

Complaints

To make a complaint, a unitholder should initially contact Legg Mason Australia. If the complaint is not satisfactorily resolved, the unitholder's complaint should be forwarded in writing. Legg Mason Australia will acknowledge receipt of the written complaint within 14 Business Days. Legg Mason Australia will formally respond to the complainant within 45 days to advise the complainant of the outcome of the investigation, the proposed course of action and any further avenues available.

Legg Mason Australia is a member of the Financial Ombudsmen Service Limited, a body set up specifically to resolve complaints from investors. The Financial Ombudsmen Service Limited can be contacted on 1300 780 808.

Privacy

Legg Mason Australia collects personal information from unitholders to process applications, administer investments and provide unitholders with services related to their investments. To do that, Legg Mason Australia may disclose a unitholder's personal information to third party agents, contractors or service providers to whom we outsource services such as mailing functions, registry and accounting. If a unitholder does not provide us with requested information we may not be able to process the application.

Legg Mason Australia's privacy practices are contained in a Privacy Policy. The Privacy Policy is available on Legg Mason Australia's website at www.leggmason.com.au. Legg Mason will provide investors with a free copy of the Privacy Policy upon request.

The information set out below is a broad overview of some of the tax consequences for Australian residents of investing in the trust. It does not take into account the specific circumstances of each unitholder that may invest in the Trust and should not be used as the basis upon which potential unitholders make an investment decision.

This information has been prepared based on Australian tax law and administrative and judicial interpretations of such as at the date of this document.

This summary does not take into account the position of unitholders who are assessed on their disposal of units otherwise than under the Australian capital gains tax provisions, such as unitholders who are in the business of trading or dealing in units or securities.

The taxation implications of investing in the Trust are particular to each unitholder's circumstances. Legg Mason Australia recommends that you seek professional tax advice, particularly if, for Australian tax purposes, you are not a resident of Australia or you are a "temporary resident" of Australia. Nothing contained in this PDS should be construed as the giving of, or be relied upon, as tax advice.

Taxation of the Trust

No Australian income tax should be payable by the Trust on the income of the Trust provided resident unitholders of the Trust become presently entitled to all of the taxable income of the Trust each financial year. Legg Mason Australia intends to take all reasonable steps to ensure that these requirements are satisfied.

The taxable income of the Trust which Australian resident unitholders become entitled to during a financial year (including any reinvested income) should form part of their assessable income for that year, even though payment may not occur until some time later.

The Trust will issue a distribution statement following any distribution at 31 December. The Trust will also issue a distribution statement and a tax statement following the Trust's financial year end at 30 June. These statements will detail the distribution paid and any relevant tax information relating to the distribution, including any foreign taxes withheld.

The tax consequences for unitholders of the receipt of distributions depends on the components of the income distributions they are entitled to.

The taxation of managed investment trusts (including the characterisation of gains and losses on the sale of certain assets) is under review by the Australian Taxation Office and the Board of Taxation. Investors should monitor developments.

Capital gains

The disposal of certain investments by the Trust may give rise to capital gains for the Trust. Accordingly, the distributions that a unitholder receives from the Trust may include a component of taxable capital gains, which should be included in the unitholder's assessable income.

The inclusion of non-assessable amounts in the distributions made by the Trust may have capital gains tax consequences for unitholders. However, where a component of a distribution is non-assessable as a result of the discount capital gains concession, the unitholder should not be required to adjust the cost base of their unit.

Foreign income and tax credits

The Trust may realise assessable foreign sourced income from its investments, for example, foreign sourced dividend income. Assessable foreign sourced income may be included in the distributions made to unitholders.

Unitholders may be entitled to claim a tax offset in respect certain foreign taxes withheld from foreign sourced income realised by the Trust. The tax statement provided should include details of any foreign tax withheld from foreign sourced income realised by the Trust.

Other gains

The Trust may realise other types of assessable income, for example, gains arising on certain derivatives which may be entered into by the Trust.

As the Trust's investments are denominated in a currency other than Australian dollars, the Trust may realise foreign currency gains in certain circumstances. Distributions to unitholders may include distributions of foreign currency gains.

Foreign investment fund regime

Under the foreign investment fund ("FIF") regime, taxpayers may be subject to tax on their investments in certain foreign resident companies and trusts on an accruals basis, i.e. on any gains in the value of the investment from year to year, even where those gains are unrealised. If the Trust holds interests which are subject to taxation under the FIF regime, then the Trust may distribute amounts to unitholders on account of any assessable income realised by the Fund as a result of the application of the FIF regime.

It is not anticipated that the Trust would hold any interests which are subject to taxation under the FIF regime.

Disposal or redemption of units by unitholders

Under the capital gains tax provisions, unitholders who redeem or otherwise dispose of their units in the Trust may realise a capital gain or loss on the redemption or disposal. The amount of the capital gain or loss should, broadly, equal the excess of the consideration they receive in respect of the redemption or disposal over the cost base of their unit.

Unitholders may be able to claim the capital gains tax discount to reduce any net capital gain arising on the disposal or redemption of their units if they have held their units for 12 months or more prior to the disposal or redemption and the relevant conditions are satisfied.

Tax File Number or Australian Business Number

Collection of tax file numbers ("TFN") is authorised and the use and disclosure of TFNs are strictly regulated by the tax laws and the Privacy Act. Unitholders may, but are not required to, quote a TFN, a TFN exemption or, if your investment is made in the course or furtherance of an enterprise carried on by you, an ABN.

If a unitholder does not provide a TFN or an ABN, withholding tax may be deducted from distributions made to the unitholder.

GST

Unitholders should not be subject to GST on applications to or redemptions from the Trust. The Trust may incur GST in respect of various supplies that it acquires. However, a RITC may be available to the Trust on certain supplies.

HOW TO TRANSACT

Complete the "Standing Application for Units" form and send it to:



Mail

State Street Australia Limited
Unit Registry
Level 7 State Street Centre
338 Pitt Street
Sydney NSW 2000



Facsimile

+612 9323 6411; or +612 9323 6420

The "Standing Application for Units" form can be obtained by contacting Legg Mason Australia; it is also available at www.leggmason.com.au.

In the case of joint applications, all applicants must sign. Applications lodged by companies must be signed in accordance with their constitution. Applications by trustees must be made in the name of, and signed by, the trustees. If an applicant wishes to specify individuals who have authority to act on their behalf in relation to their Trust investment, they may do so by completing the "Authorised Signatories" section. The same person or persons who sign the "Standing Application for Units" form should sign the "Authorised Signatories" section.

Sending Instructions by Facsimile

Applicants providing authorised instructions by facsimile are subject to the following terms and conditions:

- Legg Mason Australia will accept applications, redemptions and instructions to change an applicants' details (including authorised signatories details, bank account details and reinvestment requests) by facsimile;

- Legg Mason Australia has absolute discretion in determining whether or not to follow instructions received by facsimile; and
- the applicant will release and indemnify Legg Mason Australia from any and all responsibility for any and all costs, claims, losses or liabilities of any nature (both direct and indirect) resulting from any act or omission of action relating to use of the facsimile facility.

If application is made by cheque

Forward the cheque (payable to "State Street Bank & Trust Company - Unitholder name ATY1") to:

Urgent Delivery Prior To 11am
State Street Australia Limited
Unit Registry
Level 7 State Street Centre
338 Pitt Street
Sydney NSW 2000

If application is made by Austraclear

Funds should be transferred to Austraclear code SSBS20. The Applicant must ensure they quote their Austraclear code on the "Standing Application for Units" form.

If application is made by Electronic Funds Transfer (Real Time Gross Settlement)

Applications made by Electronic Funds Transfer must be sent by Real Time Gross Settlement. Applications received through Electronic Funds Transfer are subject to confirmation (to Legg Mason Australia) of receipt of funds (from the Custodian), which is subject to a minimum 24 hour delay. Legg Mason Australia may exercise discretion to issue units prior to receiving confirmation of funds from the Custodian.

Electronic Funds Transfer details via Real Time Gross Settlement are:

Bank name:	State Street Bank & Trust Company
Acc:	State Street Bank & Trust Co Sydney Branch – Capital Markets
BIC No:	SBOS AU2X
BSB:	913 001
Account No.:	958 2131
Reference:	ATY1

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