

Product Disclosure Statement

Legg Mason
Permal Global Absolute Trust

Issued as at 27 April 2010



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 Permal Global Absolute Trust (ARSN 130 979 190) (the “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. None of Legg Mason Australia, Legg Mason Global Funds, Legg Mason Global Asset Allocation, Legg Mason Permal Global Absolute Fund, Permal Investment Management Services Limited, or The Permal Group guarantees 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

of the Trust. 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 of the Trust.

In this PDS, all fees and costs are expressed in Australian dollars inclusive of GST less any reduced input tax credits (“RITC”). 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.

None of Legg Mason Australia, Legg Mason Global Funds, Legg Mason Global Asset Allocation, Legg Mason Permal Global Absolute Fund, Permal Investment Management Services Limited, or The Permal Group has prepared, authorised or caused the issue of this PDS. They have 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the PDS of the statements about them in the form and context in which they are included and this consent has not been withdrawn.

INFORMATION IN THIS PDS WAS CORRECT AT THE DATE OF PRINTING AND IS SUBJECT TO CHANGE, INCLUDING CHANGES TO THE TRUSTS’ 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 UPDATED INFORMATION AND OTHER DISCLOSURES, 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 CONSTITUTION OF THE TRUST IS ALSO AVAILABLE ON REQUEST.

About Us

Legg Mason, Inc.

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\$682 billion as at 31 December 2009. Legg Mason, Inc.'s asset management affiliates include Batterymarch Financial Management, Brandywine Global Investment Management, Global Currents Investment Management, Global Currents Investment Management, Legg Mason Capital Management, Legg Mason Australian Equities, The Permal Group and Western Asset Management Company.

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 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. Investments comprise investment strategies that may have absolute return objectives, allow for the use of derivatives, leverage and/or short selling, and aim to generate returns that have low correlation with traditional asset classes.

Legg Mason Australia aims to achieve the Investment Objective of the Trust primarily by holding shares in Legg Mason Permal Global Absolute Fund (the "Fund"), which is a sub-fund of the Legg Mason Global Funds plc.

Legg Mason Global Funds

Legg Mason Global Funds plc is an open ended investment company with variable capital and incorporated with limited liability under the laws of Ireland with registered number 278601. It qualifies and is authorised in Ireland by the Financial Regulator as an undertaking for collective investment in transferable securities and is a section 264 Scheme as recognised by the FSA.

Legg Mason Global Funds plc is organised in the form of an umbrella fund. The company offers separate share classes, each representing interests in a sub-fund encompassing a distinct portfolio of investments with segregated liability between sub-funds.

The Legg Mason Permal Global Absolute Fund has been approved by the Financial regulator in Ireland as a sub-fund of Legg Mason Global Funds plc.

Legg Mason Global Asset Allocation

Legg Mason Global Asset Allocation, LLC ("LMGAA") has been appointed to serve as a Sub-Investment Advisor of the Legg Mason Permal Global Absolute Fund. LMGAA is a limited liability company organised under the laws of the State of Delaware, US and is a direct subsidiary of Legg Mason. It is registered as an investment adviser in the United States with the SEC. LMGAA has been managing collective investment schemes since October 2006 and had approximately US\$0.4 billion in assets under management as of 30 June 2009. LMGAA is responsible for implementing the portfolio investment management decisions of Permal Investment Management Services Limited (or its duly authorised delegate) for the Legg Mason Permal Global Absolute Fund and ensuring compliance with the Fund's stated investment objective and policies and investment and borrowing restrictions, the UCITS Regulations and the Articles. LMGAA also serves as the risk manager with respect to and is responsible for compliance with the regulatory requirements in connection with the use of financial derivative instruments by the Legg Mason Permal Global Absolute Fund.

Permal Investment Management Services Limited

Permal Investment Management Services Limited ("PIMSL") has been appointed to serve as Sub- Investment Advisor of the Legg Mason Permal Global Absolute Fund. PIMSL is incorporated under the laws of England and Wales and is regulated by the Financial Services Authority in the United Kingdom. It is a member of the Permal Group and is owned by the Permal Group Ltd., a holding company which itself is a subsidiary of Legg Mason, Inc. The Permal Group is one of the largest fund-of-funds investment firms in the world, with approximately US\$20 billion in assets under management as of December 2009. Permal Investment Management Services Limited provides day-to-day portfolio investment management with respect to the assets of the Legg Mason Permal Global Absolute Fund, including determining the allocation and reallocation among assets classes and the allocation and reallocation to particular securities, collective investment schemes and financial derivative instruments, with a view to achieving consistent with the Fund's investment objective and policies and investment and borrowing restrictions and in accordance with the UCITS Regulations and the Articles.

The Permal Group, one of the oldest and largest alternative asset management firms, provides investment opportunities in directional and absolute return strategies across global financial markets. Permal offers access to independent investment managers worldwide through its multi-manager and single manager funds, separate accounts and participation in structured products. Establishing its asset management business over three decades ago, The Permal Group has approximately \$20 billion in assets under management with nine office locations worldwide as of 31 December 2009.

The Permal Group's value added is derived from its well-honed manager selection and risk management processes, and its creative product engineering and ongoing asset allocation combined with a top down world view. The Permal Group offers a wide range of investment products that seek to preserve capital while achieving solid investment returns.

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



Facsimile (03) 9017 8690



Mail PO Box 24011
Melbourne VIC 3001

Level 47
120 Collins Street
Melbourne Vic 3000

www.leggmason.com.au

Key Features

Feature	Summary				
Investment objective	The Trust aims to earn a gross return of 8 to 10% p.a. over a full market cycle (three to five year periods).				
Investment approach	The Trust aims to achieve the Investment Objective primarily by holding shares in Legg Mason Permal Global Absolute Fund, domiciled in Ireland. The Legg Mason Permal Global Absolute Fund seeks to generate absolute returns over the medium-term through a macro style investment process. The Legg Mason Permal Global Absolute Fund offers broad exposure to a wide range of investments and has the flexibility to invest where the best investment opportunities lie. The Trust may also hold cash and derivatives, whether directly or through unit trusts.				
Risks	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	<table border="1"> <tbody> <tr> <td>BUY/SELL SPREAD</td> <td>0.0%.</td> </tr> <tr> <td>INDIRECT COST RATIO</td> <td>An Indirect Cost Ratio is not yet available. An estimate of the Indirect Cost Ratio is 2.008% of the NAV, equating to \$10,040 p.a. for an investment of \$500,000.</td> </tr> </tbody> </table>	BUY/SELL SPREAD	0.0%.	INDIRECT COST RATIO	An Indirect Cost Ratio is not yet available. An estimate of the Indirect Cost Ratio is 2.008% of the NAV, equating to \$10,040 p.a. for an investment of \$500,000.
BUY/SELL SPREAD	0.0%.				
INDIRECT COST RATIO	An Indirect Cost Ratio is not yet available. An estimate of the Indirect Cost Ratio is 2.008% of the NAV, equating to \$10,040 p.a. for an investment of \$500,000.				
Unit prices	An Entry Price and an Exit Price for the Trust will generally be determined for each Business Day.				
Distributions	The Trust may distribute income at 31 December and will distribute any income 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.				

Investment Information

The Trust offers Eligible Investors an actively managed exposure to a macro style investment process designed to generate absolute returns over the medium term, as well as diversification benefits that would be difficult to achieve through direct investment.

Investors need have familiarity with the concepts described in this PDS. Investors who are not comfortable they understand the intended operation of the Trust should seek appropriate investment, legal and tax advice. It is important that you understand the risks of investing in this type of product as described in the Risk Features section. An investment in the Trust carries substantial risk and is suitable only for investors who can assume the risk of losing their entire investment. The value of investments in the Trust will fluctuate with the changing values of the Trust's assets. Currency and other significant risks also apply.

The Trust aims to achieve the Investment Objective primarily by holding shares in the Fund. Set out below are the Investment Process and Investment Guidelines of the Fund.

Investment Process

The sub-investment advisor for the Fund, PIMSL incorporates a three-stage, ongoing investment process, combining PIMSL's top-down and bottom-up views with quantitative and qualitative practices. The first stage is quantitative, with PIMSL performing a quantitative analysis of the recent past performance of asset classes, regions and strategies, as well as particular assets. The second stage is qualitative, with PIMSL's Investment Committee developing the forward-looking, top-down macroeconomic overview, deciding which are the most attractive asset classes, regions and strategies. The third stage is a bottom-up approach, with PIMSL's portfolio managers translating the findings and views reached in the first two stages into a portfolio of eligible investments. LMGAA will allocate and re-allocate the assets of the Fund in accordance with PIMSL's portfolio investment decisions.

Investment Guidelines

The Fund can invest long and short in a wide range of asset classes focusing on exchange-traded funds ("ETFs"), listed closed-end funds, European Union Undertakings for Collective Investments in Transferable Securities ("UCITS") open-ended funds and foreign exchange, but may also include a variety of derivative instruments. Although not required to maintain exposure to any particular asset class, the Fund will at any point in time potentially have exposure to one or more of the following:

- Global equity
- Global fixed income
- Real estate and infrastructure
- Commodity investments
- Foreign currencies
- UCITS eligible hedge fund strategies
- Cash and cash equivalents

Further Investment Information

Other considerations

The Trust itself does not intend to borrow. However, derivatives may be used to implement investment decisions. Please refer to the Derivatives section of this PDS for more information.

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 processes and investment guidelines.

Investment performance

Once available, investment performance of the Trust will be published on our internet site at www.leggmason.com.au/en/product_performance/multi-sector.aspx

Legg Mason Australia claims compliance with the Global Investment Performance Standards (GIPS ©), as developed by the CFA Institute.

Risks

An investment in the Trust is speculative and carries a high degree of risk. The Trust is only suitable for investors who can assume the risk of losing their entire investment. Key risks of investing in an alternative investment vehicle include underlying investment specific risks and overall portfolio risks. It is important that you understand and accept the risks before you invest. A financial adviser can explain to you the risks and provide investment advice to suit your investment objectives.

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, changes in interest rates, issuer default, unfavourable economic conditions, changes in government regulation, inflation and lack of liquidity (in this context, "lack of liquidity" means investments may not be readily disposed of);
- credit risks, including adverse market or issuer developments, and downgrades to security ratings;
- 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 or the underlying affiliate asset managers;

- counterparty risks, including a situation where a counterparty either cannot or will not meet its obligations;
- investment risks, including performance outcomes that are below unitholder expectation and/or the Trust not meeting its investment objective;
- country risks, including adverse political, economic and social developments, different levels of regulatory oversight and adverse currency movements;
- the risk of investing in alternative assets, securities of other investment companies and exchange-traded funds: Investing in securities issued by other investment companies or ETFs involves risks similar to those of investing directly in the securities and other assets held by the investment company or ETF. In addition, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other investment company or ETF, including management and/or other fees. Investing in hedge funds and other privately offered funds involves the additional risk of potentially significant volatility.
- the risks of implementing investment decisions using derivatives, including market risks, manager risks, counterparty 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 Trust to be inadvertently leveraged; and
- the risks of investing in "fund of fund" alternative investments, including underlying investment manager specific risks, sector specific risks and risks associated with investing in an asset class with relatively less stringent regulatory oversight.

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. 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 investor directed portfolio scheme ("IDPS") or a master trust should note that the fees outlined in the following table do not include any other fees imposed by the IDPS or master trust operator.

Type of fee or cost	Amount	How and when paid
Fees when unitholder money moves in or out of the Trusts⁽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 Constitution of each Trust 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 Constitution of each Trust 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⁾ <i>The fees and costs for managing the unitholder's investment</i>		
Investment costs	1.946% p.a. of the NAV, equating to \$9,730 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)	0.062% p.a. of the NAV, equating to \$310 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 1.935% p.a. and the Responsible Entity Fee is 0.021% p.a. Under the Constitution, we may charge a Management Fee of up to 4.100% p.a. of the NAV and a Responsible Entity Fee of up to 1.025% p.a. of the NAV.

Performance Fee

Under the Constitution, we may charge a Performance Fee of up to 30.750% p.a. of a positive return. Currently such a fee is not charged.

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 of the Trust, 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 or 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 of the Trust, 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

A Buy/Sell Spread does not apply at this time.

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 of the Trust.

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 and master trust 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.

An Indirect Cost Ratio for the Trust is not yet available. An estimate of the Indirect Cost Ratio is 2.008% of the NAV, equating to \$10,040 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 Trust with other managed investment products.

Example – Legg Mason Permal Global Absolute 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	2.008%	And for every \$500,000 you have in the Trust you will be charged \$10,040 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 \$10,040 ⁽¹⁾ .
		What it costs you will depend on the fees that you negotiate.

(1) A Buy/Sell Spread does not apply at this time.

The management costs section of the Fees and other costs table shows the Trust's management costs.

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, where applicable. 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.

Additional explanation of fees and costs - continued

Payment of redemptions

Redemption proceeds are typically paid within ten (10) Business Days, although the Constitution of the Trust 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 unitholder's 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 income at 31 December and will distribute any income 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.

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 derivative 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, or other financial instruments in certain cases, and are governed by Legg Mason Australia's Derivative Risk Statement, available at www.leggmason.com.au/en/fiduciary_standards/index.aspx

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.

As the register for the Trust is located in New South Wales, certain transactions (including transferring units to another person) may be subject to stamp duty. Please speak to your professional financial advisor for information about how duty may apply to a particular transaction.

Other Rights & Obligations

The Responsible Entity and the Constitution of the Trust

The Constitution of the Trust, 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 of the Trust are binding on Legg Mason Australia and on unitholders. Some of the key terms and conditions of the Constitution of the Trust and/or the Corporations Act include:

- the nature and entitlements of units in the Trust;
- amendments to the Constitution of the Trust 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 one or more of 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 of the Trust 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 respective 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 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 Ombudsman Service Limited, a body set up specifically to resolve complaints from investors. The Financial Ombudsman Service Limited can be contacted on 1300 780 808.

Other Rights & Obligations - continued

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 PDS.

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 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 this requirement is 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 their 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 of 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 may be 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.

Disposal of Shares in the Permal Global Absolute Fund

The Responsible Entity intends to dispose of all Shares in the Permal Global Absolute Fund on or before 30 June each year. As a result, the Trust will realise gains or losses on its shares in the Fund each financial year. These gains or losses will be taken into account in determining the income of the Trust for the year. In that case, you will not be required to maintain attribution accounts under the Foreign Investment Fund ("FIF") regime as a result of your investment in the Trust.

If the shares in the Fund are not disposed of in a particular year, these gains or losses will not be realised. However, you will be assessed under the FIF regime in relation to your share of the unrealised gains or which are assessed under the regime and you may need to maintain the relevant attribution accounts under the FIF regime. Refer to the following section for further information on the FIF regime.

Foreign investment fund regime

Under the 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 Trust 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 at 30 June.

The Australian Federal Government has announced an intention to repeal the current FIF legislation and replace the existing laws with simplified anti-tax deferral measures for foreign investment funds. Draft legislation has been released, but as at the date of this PDS the final terms of the new measures are not known, nor is the implementation date.

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 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 to: (made payable to “State Street Bank & Trust Company - Unitholder name ATX6”)

Urgent Delivery Prior To 11.00 am
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 Number:	958 2131
Reference:	ATX6

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

LEGG MASON
GLOBAL ASSET MANAGEMENT

Batterymarch • Brandywine Global • Esemplia • Global Currents
Legg Mason Australian Equities • The Permal Group • Western Asset Management