STANDARD & POOR'S

STANDARD & POOR'S A/V4 FUND MANAGEMENT RATING

LEGG MASON BRANDYWINE GLOBAL FIXED INCOME FUND

Sub-fund of Irish domiciled open-ended investment company
Brandywine Global Investment Management

Named portfolio manager(s): Stephen Smith (since launch), David Hoffman (since launch)
Peer group: Global Bond Funds in Dollars Unhedged

Location: Philadelphia
Launch date: September 2003
Fund size (January 2010): US$357m

Further information on S&P's fund coverage can be found at www.FundsInsights.com

Report date May 2010

Investment Style

	Inv Grade	Blend	Sub Inv Grade
Govt			
Corp			
Emerging			
ABS/MBS			

Performance Statistics

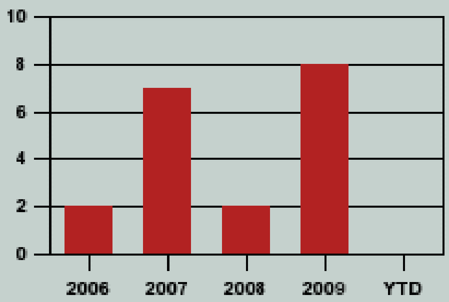
	3 Years
Fund	19.6%
Standard & Poor's Peer Median	20.1%
Index**	26.2%
Fund Rank	62/110

Note: returns are cumulative

3 Year Risk Characteristics

Maximum Drawdown (%)	Low	-16.5
Volatility	Low	10.7
Correlation	High	0.7
Beta	Medium	0.8

Calendar Year Decile Ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank 9, with tenth decile as rank 1.

 All statistical data on this report has been run to 31/12/2009 on NAV to NAV basis, with gross income reinvested, in US Dollars.

Standard & Poor's opinion (February 2010)

Although this fund is formally benchmarked against the Citi World Government Bond index, the portfolio allocation can differ from index in many respects. The managers aim to outperform by 2% a year over a market cycle but this is a value-driven process and therefore can be "too early" in taking positions, like all value-driven processes.

For example, the team added a reasonable amount of spread product, both corporate credit and non-agency MBS, in 2008, and this detracted heavily from returns in that year but was a positive in 2009. They have maintained much of this position, as they think US growth could surprise on the upside and thus spreads could narrow further.

The largest risk positions are in currencies, where the team has had no yen for some time. On the other hand, they have significant exposure to Asian and commodity currencies, to profit from the strength of the Chinese economy. They also have little euro, as they believe the fiscal position of some eurozone members will pressure the currency, but have sterling and various peripheral European currencies instead.

The fund's performance has been volatile in this peer group over the years and it is third quartile over three and five years cumulatively. We note it outperformed its benchmark substantially in 2009 but is trailing it before fees over three years cumulatively and just outperforms it over five, but not by the target margin.

The managers are experienced and we believe the process to be sound but would feel more comfortable if it had achieved its target recently. We have retained the S&P A/V4 rating.

Fund manager & team

Stephen Smith and David Hoffman are supported by Jack McIntyre, six analysts and three traders. The team has been extremely stable. They currently manage $20.6bn.

Stephen Smith - BSc economics, business administration (Xavier University), began his career in 1976 at First Pennsylvania Bank and moved to Munsch and Smith Management as a founding partner in 1980. He went to Provident Capital Management in 1984 and Mitchell Hutchins Asset Management in 1988. He joined Brandywine in 1991.

David Hoffman - BA art history (Williams College), CFA, began his career at Provident National Bank in 1975 and moved to INA Capital Management in 1979. He was head of fixed income investments at Columbus Circle Investors from 1983 and left to set up Hoffman Capital, investing in financial futures, in 1991. He joined Brandywine in 1995.

Jack McIntyre - BBA finance (University of Massachusetts), MBA finance (Stern NYU), CFA, joined Brandywine in 1998, bringing with him 11 years of industry experience.

Francis Scotland - economics (Queens University, Ontario), MA economics (University of Western Ontario), worked as an economist for the Bank of Canada (1977 to 1984), before moving to the BCA Research Group, where he became editor-in-chief and head global strategist. He joined Brandywine as director of global macro research in 2005.

Management style

The Brandywine investment philosophy is long term and driven by valuation-based fundamentals. The managers look for countries with high real rates of return (based on trailing CPI) and undervalued currencies. They then rank them, after allowing for qualitative factors such as political stability.

The fund aims to outperform the Citigroup and other world government bond indices by 2% a year over a market cycle. However, the managers are not influenced by a benchmark index when taking portfolio construction decisions.

The fund invests in the most attractive six to 12 countries, usually in government bonds, and takes the currency risk as well. The managers sometimes hedge currency exposure or own a currency without the corresponding interest rate risk. The team can spend between six and 12 months researching an investment and may hold positions for several years.

The managers do not use tracking error or VaR for risk management, but focus on upside/downside capture ratios. The fund's positions are relatively concentrated and the managers focus on long-term trends rather than short-term technical movements. As a result it can have periods of significant short-term underperformance.

Please see page 3 for required research analyst certification disclosure.

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Portfolio & performance analysis (January 2010)

The fund began 2009 with a reasonable amount of credit exposure but cut this somewhat as credit spreads narrowed throughout the year. However, they still believe spreads have further to go and therefore have switched about 9% of the fund into shorter-term senior financials, which they believe will stay liquid in volatile markets. They have also cut exposure to non-agency MBS a little but like the yield on offer now that the housing market seems to be stabilising.

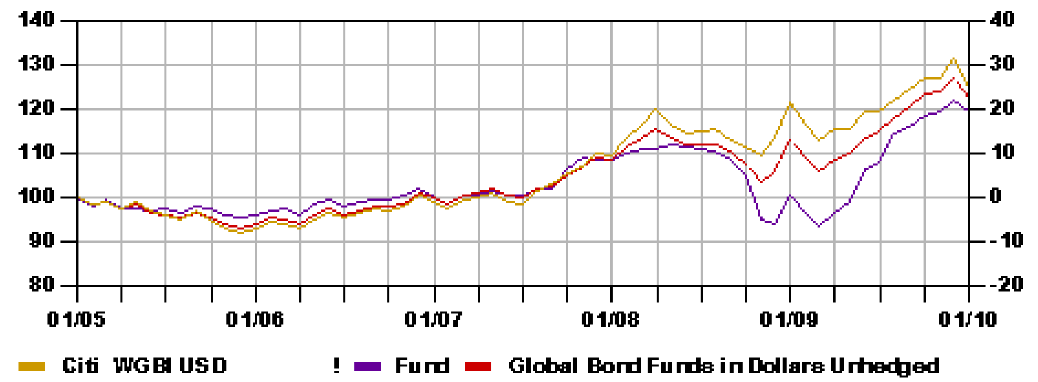
The fund has been long duration for most of the last year relative to benchmark but a large part of that came from spread product. The team believes that US growth may surprise on the upside but that inflation will remain low for the time being due to the output gap and therefore still prefer to take US duration exposure via spread product. However, they also have about half a year duration in Australian dollar bonds, where the central bank began tightening some months ago.

They are more cautious on eurozone bonds and underweight overall; their only exposure is in core countries, where they expect inflation to remain subdued. However, they also have some exposure to sterling government bonds.

The largest risk exposures (relative to benchmark) are in currency and credit. The team has not held any yen exposure for some time, but they are monitoring technicals closely so they can add some back if they anticipate another bout of risk aversion. They have cut euro exposure, where they feel the fundamentals are deteriorating and the Greek situation may test the currency, but have peripheral countries (including Norwegian and Swedish krone and Polish zloty) and sterling. They are also overweight Asian and commodity currencies, but accept that any slowdown in the Chinese economy may put these positions at risk.

They believe the markets could be volatile at times in 2010 and are working hard to keep the portfolio liquid.

Cumulative performance



Discrete Performance (calendar years)

	2006		2007		2008		2009		YTD 31/12/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	4.0	90/108	8.9	43/110	-7.4	97/110	18.6	26/111		/
Index**	6.1		10.9		10.9		2.6			
Median	5.4		8.3		4.1		7.5			

** Citi WGBI USD

Fund Benchmark: Citi World Government Bond

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
A	5.00	0	1.10	1.17			IE0033637442

Registered for sale: Austria, Belgium, Chile, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, Peru, Singapore, Spain, Sweden, Switzerland, United Kingdom

Sources of return (01/01/10)

	Low	Average	High
Portfolio Duration			
Credit Spreads			
Country / Sectors			
Yield Curve Positioning			
Currency Exposure			
Derivatives			

Portfolio characteristics

Effective duration (years)	7.55

Credit rating breakdown by CTD* (01/01/10)

	Long	Short	Net
AAA	3.10		3.1
AA	0.45		0.45
A	1.90		1.90
BBB	0.90		0.90
BB	0.05		0.05
B & below	0.23		0.23
Unrated securities	0.91		0.91

Asset allocation by CTD (01/01/10)

	Long	Short	Net
Governments/Supranational	4.04		4.04
Corporate Bonds	2.98		2.98
ABS/MBS/covered	0.52		0.52

Regional breakdown by CTD* (01/01/10)

	Long	Short	Net	Curr %
Dollar Bloc	5.14		5.14	57.1
Europe ex-UK	1.08		1.08	15.4
UK	0.57		0.57	14.1
Japan	0		0	0
Emerging market debt	0.76		0.76	13.4

* CTD = Contribution to duration. Credit rating exposures are expressed in spread duration terms.

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Symbols and Definitions

Long-Only Fund Ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.
AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.
A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-Hedge-Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute Return Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Specialist Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.
AA The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.
A The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

All Fund Ratings

NR Funds designated as NR (Not Rated) currently do not meet the requisite performance standards and/or the minimum qualitative criteria.
UR Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.
New Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.
Tenure Review
The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.
Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more and continues to hold a rating.

Bond Fund Volatility Ratings

The bond fund volatility rating is our current opinion of a fundís sensitivity to changing market conditions. Volatility ratings evaluate the fundís sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.
V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.
V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.
V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.
V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.
V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less* liquid securities.
V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute Return Fund N Ratings

The N rating is Standard & Poorís indication of a fundís potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.