STANDARD & POOR'S

STANDARD & POOR'S A/V5 FUND MANAGEMENT RATING

Report date July 2010

LEGG MASON GLOBAL FUNDS PLC - LEGG MASON WESTERN ASSET ASIAN OPPORTUNITIES FUND

Sub-fund of Irish domiciled open-ended investment company
Fund owner: Legg Mason Investments
Fund manager: Legg Mason Global Asset Management

Named portfolio manager(s):
Rajeev de Mello (since launch)
Peer group: Asian bonds in USD

Location: Singapore
Launch date: July 2008
Fund size (May 2010): US$163.3m
Contact group: +353 53 91 49999 or www.leggMason.com

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

Investment style

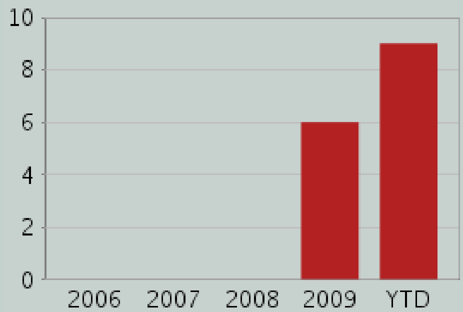
	Inv Grade	Blend	Sub Inv Grade
Govt			
Corp			
Emerging			
ABS/MBS			

Performance statistics

	Launch
Fund	20.0%
Standard & Poor's peer median	8.6%
Index**	22.0%
Fund rank	24/138

Note: returns are cumulative

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 30/04/2010 on NAV to NAV basis, with gross income reinvested, in .

Please see page 3 for required research analyst certification disclosure.

Standard & Poor's opinion (May 2010)

The fund invests in Asian sovereign debt, corporate issues and infrastructure financing bonds, aiming to exploit opportunities in Asia's fast-developing local currency bond markets. It is managed by Western Asset Management, Legg Mason's specialist fixed income subsidiary.

The team of two fund managers, two analysts and two risk specialists is based in Singapore and supported by the group's local credit teams in the region. It also draws on the group's global fixed income team for top-down input. Rajeev de Mello heads the Singapore team, and has been responsible for the fund from launch in July 2008. He is one of the more experienced Asian fixed income specialists, having focused on this area for the past 16 years.

The investment approach is disciplined and value-driven. Key decisions are country (duration), currency and sector exposures, but bottom-up fundamental analysis of credit issues is also important.

Risk is controlled by managing the fund's estimated tracking error versus its benchmark HSBC Asian Local Bond index, backed by pre-set limits on all asset class, duration and credit quality exposures. The team also employs low-correlation strategies to help reduce performance volatility. In addition, counterparty risk exposures are monitored and fully collateralised.

The fund has shown significant outperformance of the benchmark since launch, benefiting from its credit exposure as well as some well-timed country/sector changes and currency selection. Given this and the manager's experience, the fund maintains its S&P A/V5 rating.

Fund manager & team

The Asian ex Japan debt team in Singapore is headed by Rajeev de Mello. It comprises 19 people and manages about $2.5bn. Two investment managers cover sovereign debt and have over 23 years' experience each. Two other managers cover investment-grade and high-yield credit. The team also includes two quant/portfolio risk analysts. Additional input is received by Western's broader team with over 120 investment personnel.

Rajeev de Mello - economics (LSE), MBA (Georgetown University), joined Western in 2007 after five years at UBS as head of Asia bond trading and eight years in fund management at Pictet, where he was head of Asia fixed income. Before that, he was at McKinsey & Co for two years and had worked on various trading desks. He has a total of 23 years' experience.

Julia Ho - business (National University, Singapore), CFA, joined Western in 2003 as a fund manager and analyst with 15 years' experience via Rothschild, UOB and Nomura Securities.

Adrian Chee - economics (Melbourne University), joined the team as an analyst in 2007 after six years at Standard & Poor's. He had 16 years' credit experience at D&C Bank Malaysia, Tat Lee Bank and Standard & Chartered.

Henrietta Gourlay - MA (Edinburgh University), joined Western in 2003 as a research analyst with four years' credit experience at Merrill Lynch.

Management style

The aim is to outperform the HSBC Asian Local Bond index by 150bps a year over three to five years, while approximating benchmark risk.

The fund invests throughout Asia ex Japan via local currency government debt, corporate debt and infrastructure financing bonds. This gives rise to a range of currency exposures, some of which may be hedged back into US dollars.

The approach is largely top-down, value-driven and sector rotational, combined with significant bottom-up analysis from the local credit teams. Strategy is set in Singapore using information from across the group and a wide range of outside sources.

The three key allocation decisions are country and sector positioning, currency and curve positioning within which various low correlation strategies are used to help reduce volatility. Although driven by fundamental analysis, significant use is made of quantitative analysis to enhance returns.

Risk is controlled by an expected tracking error limit of 250bps which limits exposure to all asset class, credit quality and duration positioning relative to the benchmark. The fund uses the commitment approach, under which leverage cannot exceed the fund's total NAV.

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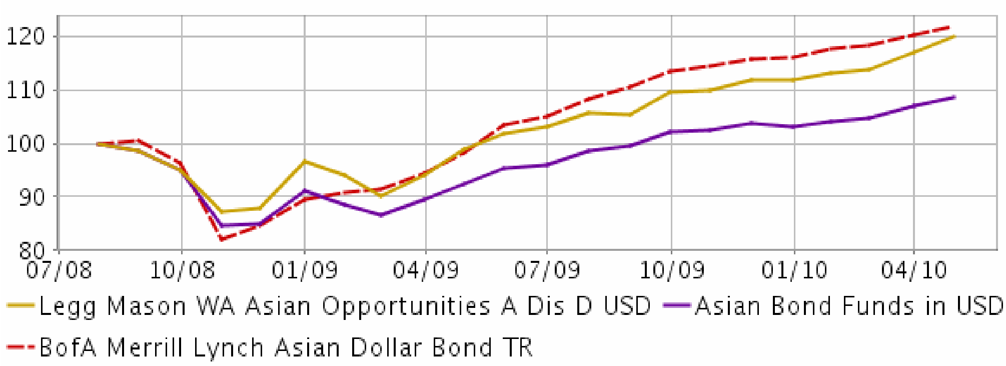
Portfolio & performance analysis (April 2010)

The fund has outperformed the sector median (second quartile) and benchmark index (15.9% versus 6.3%) during 2009, and during the year to the end of April 2010 (top quartile and 7.2% versus 6.2%). During 2009, most of the fund's performance came from sector positioning. In particular, Rajeev de Mello increased credit exposure significantly. At the beginning of May 2010 corporate debt was 23.9% of the portfolio versus 13.5% for the benchmark index. The portfolio also includes some high-yield issues such as Indonesian Coal, a low-cost producer that benefits from its proximity to China. Within corporates, de Mello added to financials, and banks in particular, during the past year. Currency was also a significant contributor after the manager added to Asian currencies in the sell-off. Overweight positions in the Korean won, Malaysian ringgit and Singapore dollar have added value. Issue selection was also an important contributor. In 2010 to the end of April, sector positioning followed by currency selection have again been the main sources of added value.

The fund typically has higher credit exposure than the benchmark, and so performs well during strong market conditions. It was launched in July 2008 and underperformed during the difficult market conditions prevailing over the rest of that year. Attribution analysis confirms that credit exposure hurt it during this period, with issue selection the main detractor followed by sector positioning. Nevertheless, credit exposure is managed, and the increase in credit exposure during 2009 from a lower position in 2008, has been well-timed. Overall, the fund has returned 20.0% since launch versus the benchmark index's 15.8%, and the main contributor has been sector positioning.

Longer-term information comes from the manager's tenure running the Pictet Fund (Lux) Asian LC Debt. Over the two-and-a-half years to June 2007, when Rajeev de Mello left to join Western, he produced top-decile returns in his S&P sector.

Cumulative performance



Discrete performance (calendar years)

							2009		YTD 30/04/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund		/		/		/	15.9	62/145	7.2	26/151
Index**	7.3		5.6		-10.2		29.4		5.2	
Median	9.1		5.6		-8.1		13.2		5.3	

** BofAML Asian Dollar Bond
Fund Benchmark: HSBC Asian Local Bond Overall index

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
A USD Inc	5.00%	0%	1.10%	N/A	US$1,000	N/A	IE00B2Q1FF07

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

Sources of return

	Low	Average	High
Portfolio duration		■	
Credit spreads			■
Country / sectors			■
Yield curve positioning		■	
Currency exposure			■
Derivatives		■	

Portfolio characteristics * (1 May 2010)

Effective duration (years)	5.2

Credit rating breakdown

	Long	Short	Net
AAA	0.11	0	0.11
AA	0.45	0	0.45
A	2	-0.38	1.62
BBB	0.36	0	0.36
BB	0.12	0	0.12
B	0.03	0	0.03
CCC & below	0	0	0
Unrated securities	0	0	0

Duration breakdown

	Long	Short	Net
0-3 years	1.01	-0.11	0.89
3-5 years	1.3	-0.76	0.53
5-10 years	2.64	-0.39	2.25
10+ years	0.92	-0.03	0.89

Asset allocation

	Long	Short	Net
EM governments	3.08	0	3.08
ABS/MBS/covered	0.01	0	0.01
Corporates	1.54	0	1.54
Other	1.22	-0.38	0.85
Supranational	0.01	0	0.01

Regional breakdown

	Long	Short	Net	Curr %
Latin America	0.00	0.00	0.00	0
CEE	0.00	0.00	0.00	0
Asia	5.85	-0.38	5.47	81
Middle East/Africa	0.00	0.00	0.00	0
Other	0.02	-0.92	-0.90	19

* Credit rating exposures are expressed in spread duration terms. All others expressed in interest rate duration years.

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-funds 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
Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.
Under Review (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 (TR) 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 fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's 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 comprising 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 comprising 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 & Poor's indication of a fund's 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.