

# Legg Mason Western Asset Diversified Strategic Income Fund

## SUB-INVESTMENT MANAGER

Western Asset Management

## ABOUT THE FUND

The Fund seeks to provide a high level of current income by investing at least two-thirds of its Total Asset Value in debt securities across the major fixed-income sectors that are denominated in U.S. dollars, and currencies of a variety of other developed countries. The Fund may invest up to 35% of its Total Asset Value in high yielding debt securities which shall include securities rated BB or lower by S&P, or an equivalent quality.

## FUND DETAILS

|                                   |                                |
|-----------------------------------|--------------------------------|
| <b>Currency Class</b>             | SGD/USD                        |
| <b>Minimum Investment Amount</b>  |                                |
| - Initial                         | SGD 1,500/USD 1,000            |
| - Subsequent                      | SGD 500/USD 500                |
| <b>Fees</b>                       |                                |
| - Initial Charge                  | Up to 5.00%                    |
| - Management Fee                  | Up to 1.10% p.a.               |
| <b>Subscription</b>               | Cash Only                      |
| <b>Trading Frequency</b>          | Daily                          |
| <b>Fund Launch Date</b>           | 24 February 2004               |
| <b>Performance Inception Date</b> |                                |
| - Class A Acc USD                 | 9 May 2007                     |
| - Class A Dis (D) USD             | 27 February 2004               |
| <b>Domicile</b>                   | Dublin, Ireland                |
| <b>ISIN Code</b>                  | IE00B19Z5K72 /<br>IE0034202634 |
| <b>Bloomberg Ticker</b>           | LEDSUAA ID /<br>LEGDSIA ID     |

## FUND SNAPSHOT

|       | Class A Acc | Class A Dis (D) |
|-------|-------------|-----------------|
| NAV   | USD 108.04  | USD 89.61       |
| High* | USD 109.34  | USD 99.79       |
| Low*  | USD 80.21   | USD 72.01       |

\* Based on since inception month end prices

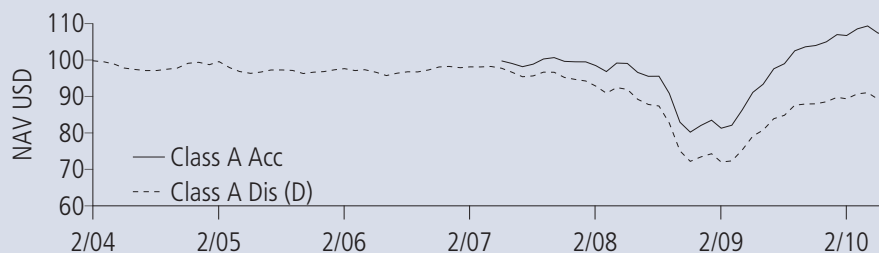
|   |                |
|---|----------------|
| <b>Fund Size</b>                                  | USD 68 Million |
| <b>30-day Yield<sup>1</sup> - Class A Dis (D)</b> | 2.33%          |
| <b>Number of Holdings</b>                         | 286            |
| <b>Weighted Average Life</b>                      | 5.51 years     |
| <b>Effective Duration<sup>2</sup></b>             | 3.34 years     |
| <b>S&amp;P Credit Quality<sup>2</sup></b>         | A              |

<sup>1</sup> Annualised. The 30-day yield is a measure of the average net actual investment income per share, earned over a specific 30-day period, expressed as a percentage rate.

<sup>2</sup> Weighted Average

## FOR MORE INFORMATION

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## PERFORMANCE

|                                | YTD        | 3 Months        | 1 Year        | 3 Years        | 5 Years        | Since Inception        |
|--------------------------------|------------|-----------------|---------------|----------------|----------------|------------------------|
| Class A Acc                    | 2.91%      | -0.46%          | 15.72%        | 2.93%          | N/A            | 2.49%                  |
| Class A Dis (D)                | 2.82%      | -0.50%          | 15.56%        | 2.69%          | 3.38%          | 3.28%                  |
| Benchmark                      | 0.05%      | 0.04%           | 0.09%         | 1.18%          | 2.49%          | 2.32%                  |
| <b>Load-adjusted returns**</b> | <b>YTD</b> | <b>3 Months</b> | <b>1 Year</b> | <b>3 Years</b> | <b>5 Years</b> | <b>Since Inception</b> |
| Class A Acc                    | -2.24%     | -5.44%          | 9.94%         | 1.19%          | N/A            | 0.83%                  |
| Class A Dis (D)                | -2.32%     | -5.48%          | 9.78%         | 0.95%          | 2.33%          | 2.44%                  |

- Performance is net of fees and is calculated on a NAV to NAV basis (USD).
- Annualised for periods over one year with net income and dividends reinvested, if any.
- \*\* Inclusive of initial charge [assumed to be 5%].
- Acc = Accumulating share class. Net investment income accumulated daily into NAV.
- Dis (D) = Distributing share class. Dividend declared daily and paid out monthly.
- On 20 April 2007, all assets from the predecessor fund (which has a substantially similar investment objective and policy and managed by the same portfolio management team) have been transferred into this Fund.
- Benchmark: Citi 1 Month U.S. Treasury Bill Index. "Since Inception" benchmark performance is calculated from inception of Class A Dis (D) share. 27 Feb is the common inception date between both the benchmark and Class A Dis (D) share. The fund's actual inception date is 24 Feb.

## SECTOR ALLOCATION

|                                     | % of NAV | % of NAV                                |       |
|-------------------------------------|----------|---|-------|
| Governments                         | 30.03%   | Asset-Backed Securities                 | 0.96% |
| Corporate - High Yield              | 27.68%   | Inflation Protected Securities          | 0.76% |
| Corporate - Investment Grade        | 17.38%   | Emerging Markets - Non-Investment Grade | 0.56% |
| Cash & Cash Equivalents             | 15.47%   |   |       |
| Mortgage-Backed Securities          | 4.18%    |   |       |
| Emerging Markets - Investment Grade | 2.98%    |   |       |

## TOP TEN COUNTRY OF ISSUE ALLOCATION

|                | % of NAV | % of NAV    |       |
|----------------|----------|-------------|-------|
| United States  | 56.68%   | Greece      | 0.76% |
| United Kingdom | 5.01%    | Netherlands | 0.62% |
| Germany        | 2.12%    | Russia      | 0.47% |
| Poland         | 1.72%    | Australia   | 0.45% |
| Brazil         | 0.78%    | Sweden      | 0.45% |

## S&P CREDIT QUALITY ALLOCATION

|                         | % of NAV | % of NAV    |       |
|-------------------------|----------|-------------|-------|
| AAA                     | 33.24%   | BB          | 8.29% |
| B                       | 20.07%   | BBB         | 8.02% |
| Cash & Cash Equivalents | 15.47%   | CCC & Below | 2.97% |
| A                       | 10.56%   | AA          | 1.39% |

## TOP TEN HOLDINGS

|  | % of NAV | % of NAV                                |               |
|--|----------|---|---------------|
| US Treasury Note/Bond 2.375 28.02.2015 | 12.38%   | US Treasury Note 3.625 15.02.2020       | 1.40%         |
| US Treasury Note 1.875 30.04.2014      | 6.28%    | Bund. Deutschland 5.500 04.01.2031      | 1.34%         |
| US Treasury Note/Bond 4.625 15.02.2040 | 5.04%    | FNMA 30 Yr Pool 5.000 01.07.2035        | 1.11%         |
| US Treasury Note 2.750 15.02.2019      | 2.44%    | Royal Bank of Scotland 4.875 20.01.2017 | 0.95%         |
| Poland Govt Bond 5.750 23.09.2022      | 1.72%    | Vale Overseas Limited 6.875 21.11.2036  | 0.78%         |
|  |          | <b>Total:</b>                           | <b>33.44%</b> |

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## IMPORTANT INFORMATION

### RISK STATISTICS DEFINITIONS

**Weighted Average Life :** The average number of years for which each component of unpaid principal on a bond, loan or mortgage remains outstanding. The weighted average life calculation provides an aggregate figure that shows how many years it will take to pay off half the outstanding principal on a bond portfolio.

**Effective Duration :** Average Duration equals the weighted average maturity of all the cash flows in the portfolio and gives an indication of the sensitivity of a portfolio's bond prices to a change in interest rates. The higher the duration, the more sensitive the portfolio is to interest rate changes. Effective Duration is a calculation for bonds with embedded options (Not every portfolio will purchase bonds with embedded options). It takes into account the expected change in cash flows caused by the option, as interest rates change. If a portfolio does not hold bonds with embedded options, then the Effective Duration will be equal to the Average Duration.

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