

Prepared on: 30/09/2011

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

LEGG MASON WESTERN ASSET GLOBAL BOND TRUST (THE “TRUST”)

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|---------------------------|---|---|---|
| Product Type | Unit Trust | Inception Date | 2 November 1998 |
| Manager | Western Asset Management Company Pte. Ltd. | Custodian | HSBC Institutional Trust Services (Singapore) Limited |
| Trustee | HSBC Institutional Trust Services (Singapore) Limited | Dealing Frequency | Every Business Day |
| Capital Guaranteed | No | Expense Ratio for the financial year ended 31 March 2011 | 0.82% |
| Name of Guarantor | N/A | | |

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Trust is only suitable for investors who:
 - want to diversify their investments on a worldwide basis;
 - require less volatile returns than those usually associated with that of equity investments;
 - are looking for portfolio diversification and more stable returns.

Investors should consult their financial advisers if in doubt whether this product is suitable for them.

Further Information

Refer to Section 8.4 on Pg 8 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand.

The Trust is included under the CPF Investment Scheme – Ordinary and Special Account and is classified under risk classification of “Low to Medium Risk/Broadly Diversified”.

Refer to Section 1 on Pg 1, Section 7 on Pg 5 and Section 8 on Pg 6 of the Prospectus for further information on features of the product.

Investment Strategy

- The Trust aims to outperform the Citigroup World Government Bond Index ex Japan (hedged to Singapore Dollar).

Refer to Section 8 on Pg 6 of the Prospectus for the further information on the investment strategy of the product.

¹ The Prospectus is available for collection at 1 George Street, #23-02, Singapore 049145 during normal business hours or accessible at www.leggmason.com.sg

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| <ul style="list-style-type: none"> • The Manager and Sub-Managers will pursue an active but prudent approach which employs fundamental economic and market analysis to take maximum advantage of short and medium to long term investment opportunities in interest rate and currency trends of the global bond markets. • The Trust will invest primarily in debt securities issued by governments, government linked companies and corporations in Singapore and countries as defined by the Citigroup World Government Bond Index ex Japan or in countries with a minimum investment grade credit rating of Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency. • The Trust will only invest in debt securities issued by governments of benchmark countries, or of issuers with a minimum credit rating of Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency (and for issuers of Japanese debt securities, a minimum credit rating of A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency). • The Managers and the Sub-Managers (as the case may be) may employ an active currency hedging programme to manage the non Singapore Dollar currency exposure. • Investments in any one corporate issuer will be restricted to no more than 10% of the total value of the deposited property of the Trust. • To ensure greater degree of liquidity, the Trust will not invest in more than 5% of the aggregate issued and outstanding securities of any single issue. • The Trust currently does not engage in securities lending and/or carry out repurchase transactions although it is permitted to do so. • The Trust may use swaps, forwards, options and futures for the purposes of hedging and efficient portfolio management. | |
| Parties Involved | |
| <p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • The Manager is Western Asset Management Company Pte. Ltd. • The Sub-Managers are Western Asset Management Company and Western Asset Management Company Limited . • The Trustee/ Custodian is HSBC Institutional Trust Services (Singapore) Limited. • The Principal Distributor is Legg Mason Asset Management Singapore Pte. Limited. | <p>Refer to Section 2 to 5 on Pg 3 and 4 of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p> |
| KEY RISKS | |
| <p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>You should consider and satisfy yourself as to the risks of investing in the Trust. Some of the risk factors that should be considered are economic (such as growth, inflation or policy changes), interest rate, political, liquidity, default, foreign exchange, regulatory, repatriation risks and the risks of investing in warrants.</p> <p>An investment in the Trust is meant to produce returns over the long term. You should not expect to obtain short-term gains from such investments.</p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:</p> | <p>Refer to Section 10 on Pg 9 to 11 of the Prospectus for further information on risks of the product.</p> |
| Market and Credit Risks | |
| <ul style="list-style-type: none"> • You are exposed to market risk. <ul style="list-style-type: none"> ○ Prices of securities in the Trust may go down or up in response to changes in economic conditions, political conditions, interest rates and market perception of securities which in turn may cause the price of Units to rise or fall. | <p>Refer to Section 10 on Pg 9 to 11 of the Prospectus for further information on risks of the product.</p> |

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|---|--|-----------------------------|---------------------------|------------------------------|------------------------------|---|---------------------------|--|--|
| <ul style="list-style-type: none"> • You are exposed to interest rate risk. <ul style="list-style-type: none"> ○ Any investments by the Trust in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the price of debt securities rises when interest rates fall, and fall when interest rates rise. • You are exposed to currency risk. <ul style="list-style-type: none"> ○ The income earned by the Trust may be affected by fluctuations in foreign exchange rates. The Manager may actively monitor and manage the Trust’s exposure to adverse foreign exchange risks by hedging through the forwards or futures markets. • You are exposed to debt securities risk. <ul style="list-style-type: none"> ○ Issuers of bonds and other debt securities held by the Trust may default on their obligations despite careful selection of issuers. | | | | | | | | | |
| Liquidity Risks | | | | | | | | | |
| <ul style="list-style-type: none"> • The Trust is not listed and you can only redeem on Dealing Days. <ul style="list-style-type: none"> ○ There is no secondary market for the Trust. All redemption requests should be made to the relevant approved agent or distributor through whom Units in the Trust were purchased. • You may not be able to redeem on a Dealing Day if a redemption limit is imposed. <ul style="list-style-type: none"> ○ There may be a 10% limit on the number of Units that can be redeemed on any Dealing Day. • You will not be able to redeem when redemption is suspended. <ul style="list-style-type: none"> ○ Your right to redeem Units may be temporarily suspended under certain circumstances. • You are exposed to liquidity risk of the Trust’s investments. <ul style="list-style-type: none"> ○ There is always a chance of any stock market becoming illiquid due to exceptional circumstances. | <p>Refer to Section 13 on Pg 14 and Section 15 on Pg 17 and 18 of the Prospectus for further information on risks of the product.</p> | | | | | | | | |
| Product-Specific Risks | | | | | | | | | |
| <ul style="list-style-type: none"> • You are exposed to derivatives risk. <ul style="list-style-type: none"> ○ The Trust may invest in derivatives for purposes of risk management and hedging the underlying investment or currency exposures. Derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. The value of derivative instruments is subject to market risks and may fall in value as rapidly as it may rise and it may not always be possible to dispose of such instruments during such fall in value. | <p>Refer to Section 10 on Pg 9 to 11 of the Prospectus for further information on risks of the product.</p> | | | | | | | | |
| FEES AND CHARGES | | | | | | | | | |
| <p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</p> <p><u>Payable directly by you</u></p> <ul style="list-style-type: none"> • You will need to pay the following fees and charges as a percentage of your gross investment sum: <table border="1" data-bbox="244 1713 1085 1796"> <tr> <td>Preliminary Charge</td> <td>○ Currently 3% (Maximum 3%)</td> </tr> <tr> <td>Realisation Charge</td> <td>○ Currently NIL (Maximum 2%)</td> </tr> </table> <p><u>Payable by the Fund from invested proceeds</u></p> <ul style="list-style-type: none"> • The Trust will pay the following fees and charges to the Manager, and Trustee: <table border="1" data-bbox="244 1879 1085 2119"> <tr> <td>Annual Management Fee</td> <td>○ Currently 0.75% p.a. (Maximum 0.75% p.a.)</td> </tr> <tr> <td>Annual Trustee Fee</td> <td>○ Currently 0.1% p.a. on 1st S\$10 million. 0.05% p.a. on balance of S\$10 million and above. Maximum 0.15% p.a. subject always to a minimum of S\$15,000 p.a.</td> </tr> </table> | Preliminary Charge | ○ Currently 3% (Maximum 3%) | Realisation Charge | ○ Currently NIL (Maximum 2%) | Annual Management Fee | ○ Currently 0.75% p.a. (Maximum 0.75% p.a.) | Annual Trustee Fee | ○ Currently 0.1% p.a. on 1st S\$10 million. 0.05% p.a. on balance of S\$10 million and above. Maximum 0.15% p.a. subject always to a minimum of S\$15,000 p.a. | <p>Refer to Section 9 on Pg 9 of the Prospectus for further information on fees and charges.</p> |
| Preliminary Charge | ○ Currently 3% (Maximum 3%) | | | | | | | | |
| Realisation Charge | ○ Currently NIL (Maximum 2%) | | | | | | | | |
| Annual Management Fee | ○ Currently 0.75% p.a. (Maximum 0.75% p.a.) | | | | | | | | |
| Annual Trustee Fee | ○ Currently 0.1% p.a. on 1st S\$10 million. 0.05% p.a. on balance of S\$10 million and above. Maximum 0.15% p.a. subject always to a minimum of S\$15,000 p.a. | | | | | | | | |

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative net asset value of the Trust is published on each day on the Principal Distributor’s website at <http://www.leggmason.com.sg>, The Business Times, Teletext and Bloomberg, and once a week in The Straits Times (only CPFIS included funds are listed). The actual net asset value is normally published 2 Business Days after the relevant Dealing Day.

Refer to Section 13 to 14 on Pg 14 to 17 of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- You can exit the Trust on any Dealing Day by submitting a realisation request form to the relevant approved agent or distributor through whom you purchased your Units.
- If you are a first-time investor, you can exit the Trust without incurring the preliminary charge stated above, by submitting a cancellation request form to the relevant approved agent or distributor through whom you purchased your Units, within the cancellation period of 7 calendar days from date of your subscription. The cancellation proceeds payable in relation to the cancellation will be determined as the lower of the market value or the original subscription amount paid by the investor at the time of the subscription or purchase.
- In the case of partial realisation, the minimum holding is 1,000 Units or the number of Units which were or would have been purchased for S\$1,000 at the prevailing issue price at the time of your initial subscription. The minimum realisation amount is 100 Units.
- You will receive the realisation proceeds within 4 Business Days from the time the Principal Distributor receives and accepts your request to exit from the Trust.
- Your exit price is determined as follows (please note approved agents and distributors may impose a different cut-off time):
 - If you submit the realisation order before 5pm on a Dealing Day, you will be paid a price based on the realisation price on that Dealing day.
 - If you submit the realisation order after 5pm, you will be paid a price based on the realisation price on the next relevant Dealing day.
- The realisation proceeds that you will receive will be the exit price multiplied by the number of Units sold, less any charges. An example is as follows:

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|-----------------------------------|----------|-----------------------------|----------|-----------------------------------|
| Exit price | X | Number of Units sold | = | Gross Realisation Proceeds |
| S\$0.970 | X | 1,000 | = | S\$970 |
| Gross Realisation Proceeds | - | Realisation Charge | = | Net Realisation |
| S\$970 | - | S\$0.00 | = | S\$970 |

CONTACT INFORMATION

HOW DO YOU CONTACT US?

Through the Principal distributor, Legg Mason Asset Management Singapore Pte. Limited.
Registration Number (UEN): 200007942R
Website: www.leggmason.com.sg, Tel: +65 6536 8000, Fax: +65 6317 8947

APPENDIX: GLOSSARY OF TERMS

All capitalized terms used in this Product Highlight Sheet and not otherwise defined herein have the meanings set forth in the Prospectus.

Business Day: Any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore.

Dealing Day: In connection with the issuance and realisation of Units, means every Business Day or such Business Day or Business Days at such intervals as the Managers may from time to time determine provided that reasonable notice of any such determination shall be given by the Managers to all holders at such time and in such manner as the Trustee may approve.