

**This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.**

The following change(s) in investment choice(s) relate(s) to the “Premier-Choice Series” plans, including Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice Plus InvestPlan.

### **1. Change/Clarification on Investment Objective and Strategy of the Investment Choices – LMPAU, LMUAU and LMUSU**

As advised by Legg Mason Global Asset Management, there are changes which are to be made to the existing investment policies of the following underlying funds corresponding to the investment choices “Legg Mason Global Funds Plc – Legg Mason Western Asset U.S. Adjustable Rate Fund Class A US\$ Accumulating” (LMUAU) and “Legg Mason Global Funds Plc - Legg Mason Royce US Small Cap Opportunity Fund Class A Acc” (LMUSU), as below:

- i. Legg Mason Global Funds Plc – Legg Mason Western Asset US Adjustable Rate Fund and Legg Mason Global Funds Plc – Legg Mason Royce US Small Cap Opportunity Fund*

Where the existing investment policies of the above underlying funds provide for “Total Asset Value” (defined as the Net Asset Value of an underlying fund plus the liabilities of such underlying fund), the investment policies for all underlying funds are to be updated to replace all references to “Total Asset Value” with “Net Asset Value” (as currently defined in the Hong Kong Extract Prospectus of the underlying funds). This change is made as a result of a change in the Swiss regulations such that the underlying funds may now adopt the use of “Net Asset Value”, which is more in line with the market practice.

- ii. Legg Mason Global Funds Plc – Legg Mason Western Asset US Adjustable Rate Fund*

The investment policy of the above underlying fund currently provides that the underlying fund is expected to maintain an average portfolio duration of between 6 months and 1 year. This range is to be changed to between 0 and 1 year.

The changes to the investment policies to the above underlying funds and the respective investment choices are not considered as material changes, do not materially change/increase in the overall risk profile of the underlying funds/investment choices, and do not materially prejudice the rights/interests of investors nor change the level of fees and charges payable by investors following the changes taking effect. The above changes will take effect on June 30, 2014.

The investment objective and strategy of the following investment choices will be changed (as underlined below), as a result of the above changes of the underlying funds, and will be clarified (as marked in **bold** below) in order to align with the wordings as disclosed in the Product Key Facts Statement of the respective underlying funds.

#### Legg Mason Global Funds Plc - Legg Mason Permal Global Absolute Fund Class A Acc (LMPAU)

~~“The underlying fund aims seeks~~ to generate absolute returns over the medium-term through a macro style investment process.

The underlying fund will invest primarily in other open-ended collective investment schemes, transferable securities listed or traded on regulated markets (including ~~ETFs~~, closed-ended funds ~~and~~, **real estate investment trusts (“REITs”), debt securities, equity securities and equity-related securities (such as depositary receipts, notes and certificates that are tied to the performance of a single equity, a basket of equities or equity indices)** and financial derivative instruments. Permal Investment Management Services Limited incorporates a three-stage, ongoing investment process, combining top-down and bottom-up views with quantitative and qualitative practices.

**Debt securities include government and corporate debt securities, certain types of structured products (such as equity-linked notes and index and participation notes), and mortgage backed and asset backed securities, which may be rated below investment grade or unrated. The underlying fund may invest in securities listed or traded on regulated markets anywhere in the world, including emerging market countries. It may have exposure to China “A” shares indirectly via investments in other collective investment schemes, structured notes, participation notes, equity linked notes and similar financial instruments.**

The underlying fund may use financial derivative instruments (FDIs) (including options, futures and options on futures, swaps, and forward currency exchange contracts) extensively for investment and other non-hedging purposes. It may also use FDIs for hedging purposes. The underlying fund may be leveraged to up to 100% of its net asset value (calculated using the commitment approach) as a result of its use of FDIs. The commitment approach calculates leverage by measuring market value of the underlying exposures of derivatives relative to its net asset value. It does not employ any specific strategy in relation to the use of FDIs.

The underlying fund’s assets may be denominated in currencies other than the base currency of the underlying fund.

Remarks:

- ~~1. This investment choice is only available to Hong Kong residents.~~
  - ~~2. This investment choice is not available for any policy issued in Macau.~~
- The use of FDIs may involve additional risks. Please refer to page 1 for details.”

#### Legg Mason Global Funds Plc – Legg Mason Western Asset U.S. Adjustable Rate Fund Class A US\$ Accumulating (LMUAU)

~~“The underlying fund aims seeks~~ to provide high current income and to limit the degree of fluctuation of its ~~total net~~ asset value resulting from movements in interest rates.

The underlying fund seeks to achieve its investment objective by investing at all times at least 80% of its ~~total net~~ asset value in various types of adjustable rate debt securities issued by US issuers (including variable rate securities, floating rate securities and adjustable rate mortgage-backed and asset-backed securities that are structured as debt securities) and listed or traded on regulated markets. ~~It may also invest in aggregate up to 20% of its total asset value in fixed rate debt securities and Money Market Instruments.~~ It may also invest in fixed rate debt securities and money market instruments.

**The debt securities in which the underlying fund may invest include: debt securities issued or guaranteed by the US government; debt securities issued by other national governments; debt securities of supranational organisations; corporate debt securities; convertible and non-convertible notes; commercial paper, certificates of deposits, and bankers acceptances; mortgage-backed and asset-backed securities structured as debt securities; warrants; other collective investment schemes; and other investments.**

The underlying fund invests in US government securities and securities rated at the time of purchase in the two highest long-term rating categories by a nationally recognized statistical rating organization. It may also invest in debt securities that are unrated but determined to be of a quality equivalent to such two highest categories by the sub-investment manager.

It is expected that the underlying fund will maintain average portfolio duration of between 0 and 1 year. However, it may invest in individual securities of any duration.

The underlying fund may use financial derivative instruments (FDIs) (including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts) extensively for investment and other non-hedging purposes. It may also use FDIs for hedging purposes. The underlying fund may be leveraged to up to 100% of its net asset value (calculated using the commitment approach) as a result of its use of FDIs. The commitment approach calculates leverage by measuring the market value of the underlying exposures of derivatives relative to its net asset value.

The underlying fund does not employ any specific strategy in relation to the use of FDIs.

Remarks:

1. ~~This investment choice is only available to Hong Kong residents.~~
  2. ~~This investment choice is not available for any policy issued in Macau.~~
- The use of FDIs may involve additional risks. Please refer to page 1 for details.”

#### Legg Mason Global Funds Plc - Legg Mason Royce US Small Cap Opportunity Fund Class A Acc (LMUSU)

~~“The underlying fund aims seeks to achieve long-term capital appreciation, by investing at least 70% of its Total Asset Value in a diversified portfolio of equity securities issued by small- and micro-cap U.S. companies (market capitalisations of less than US\$2.5 billion). The sub-investment manager of underlying fund attempts to take advantage of what it believes are opportunistic situations for undervalued securities.~~

The underlying fund invests at least 70 per cent of its net asset value in a diversified portfolio of equity securities issued by small-cap US companies (i.e., US companies with market capitalisations of less than US\$2.5 billion) that are listed or traded on regulated markets in the United States.

The sub-investment manager invests the underlying fund’s assets in these companies in an attempt to take advantage of what it believes are opportunistic situations for undervalued securities. Such opportunistic situations may include turnarounds, emerging growth companies with interrupted earnings patterns, companies with unrecognised asset values or undervalued growth companies. It may also invest in other collective investment schemes.

The sub-investment manager uses a value method in managing the underlying fund’s assets. In selecting securities for the underlying fund, the sub-investment manager evaluates the company’s balance sheet, the level of its cash flows and various measures of the company’s profitability. The sub-investment manager then uses these factors to assess the company’s current worth, basing this assessment on either what it believes a knowledgeable buyer might pay to acquire the entire company or what it thinks the value of the company should be in the stock market. The sub-investment manager invests in securities of companies that are trading significantly below its estimate of the issuer’s current worth.

The underlying fund does not intend to use financial derivative instruments for any purpose (other than in relation to any Hedged Share Classes in the underlying fund, for which financial derivative instruments may be used for hedging purposes only).

Remarks:

1. ~~This investment choice is only available to Hong Kong residents.~~
2. ~~This investment choice is not available for any policy issued in Macau.”~~

## **2. Other matters relating to some investment choice(s)**

*Legg Mason Global Funds Plc - Legg Mason Permal Global Absolute Fund Class A Acc (LMPAU), Legg Mason Global Funds Plc - Legg Mason Western Asset U.S. Adjustable Rate Fund Class A US\$ Accumulating (LMUAAU) and Legg Mason Global Funds Plc - Legg Mason Royce US Small Cap Opportunity Fund Class A Acc (LMUSU)*

As advised by Legg Mason Global Asset Management, there are the following updates/amendments to the underlying funds’ prospectus:

- Fees and expenses;
- Dilution adjustments;
- Utilisation of derivatives;
- Regulated markets; and
- Ratings of securities.

You should refer to the relevant prospectuses and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by MassMutual Asia Ltd. upon request, or visit our website ([www.massmutualasia.com](http://www.massmutualasia.com)) to carefully read the details of the relevant documents in relation to the above change(s).

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd. - Customer Service Hotline at (852) 2919 9797 (Hong Kong)/ (853) 2832 2622 (Macau).

**LEGG MASON GLOBAL FUNDS PLC**  
**Riverside Two**  
**Sir John Rogerson's Quay**  
**Grand Canal Dock**  
**Dublin 2, Ireland**

30 May 2014

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.**

**If you have sold or transferred all of your Shares in the Company, please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.**

**Capitalised terms used herein shall bear the same meaning as capitalised terms used in the Hong Kong Extract Prospectus of the Company dated 23 January 2013, as amended by a First Supplement to the Hong Kong Extract Prospectus dated 26 March 2013, a Second Supplement to the Hong Kong Extract Prospectus dated 22 May 2013 and a Third Supplement to the Hong Kong Extract Prospectus dated 7 August 2013 (collectively, the "Hong Kong Extract Prospectus"). Copies of the Hong Kong Extract Prospectus and the Product Key Facts Statements of the SFC authorised Funds (together the "Hong Kong Offering Documents"), as well as the Articles of Association and the annual and semi-annual reports of the Company are available free of charge upon request during normal business hours from your distributor or the Hong Kong Representative. The latest Hong Kong Offering Documents are also available at <http://www.leggmason.com.hk>\***

**Please note that the Central Bank of Ireland (the "Central Bank") has not reviewed this letter. The Directors of the Company accept full responsibility for the accuracy of the information contained in this notice and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.**

Dear Shareholder,

**RE: Amendments to the Hong Kong Offering Documents**

We are writing to you, a shareholder in the Company, to notify you of certain substantive amendments that are to be made to the SFC authorized Funds of the Company (including certain Share Class changes) and related and/or updates/amendments to the Hong Kong Offering Documents, which are summarised as follows:

**Registered Office:** as above  
**Company Registration Number:** 278601  
An umbrella fund with segregated liability between sub-funds  
**Directors:** Brian Collins, Joseph Keane, Joseph LaRocque (U.S.A.), John Alldis (Lux)

*\* This website has not been reviewed by the Securities and Futures Commission of Hong Kong*

**I. Amendments to the Hong Kong Offering Documents**

**(i) Fund Name Changes**

The names of the following Funds are to be changed:

<b>Current Name</b>	<b>New Name</b>
Legg Mason Batterymarch Asia Pacific Equity Fund	Legg Mason Batterymarch Asia Ex Japan Equity Fund
Legg Mason Batterymarch European Equity Fund	Legg Mason Batterymarch Managed Volatility European Equity Fund
Legg Mason Capital Management Growth Fund	Legg Mason ClearBridge Growth Fund
Legg Mason Capital Management Opportunity Fund	Legg Mason Opportunity Fund
Legg Mason Royce Smaller Companies Fund	Legg Mason Royce US Smaller Companies Fund
Legg Mason Capital Management Value Fund	Legg Mason ClearBridge Value Fund

Unless stated otherwise in this document, the above changes are strictly a name change of the Fund and not a change of the investment policy of the Fund.

**(ii) Name Changes of Legg Mason Capital Management, LLC**

Legg Mason Capital Management, LLC serves as investment manager to the Legg Mason Capital Management Value Fund and sub-investment manager to the Legg Mason Capital Management Growth Fund (both funds are to be renamed as indicated in the table above). The Hong Kong Offering Document is to be revised to reflect the change in the name of Legg Mason Capital Management, LLC to ClearBridge, LLC which took effect on 14 February 2014. This is strictly a name change and not a new investment manager or sub-investment manager.

**(iii) Changes in investment policies for certain Funds**

The following is a summary of changes which are to be made to the existing investment policies of certain Funds. These changes to the investment policies are not considered as material changes to the Funds, do not materially change/increase in the overall risk profile of the Fund, and do not materially prejudice the rights/interests of Shareholders nor change the level of fees and charges payable by Shareholders following the changes taking effect. The changes will take effect on the Effective Date (as defined below).

Where the existing investment policies provide for "Total Asset Value" (defined as the Net Asset Value of a Fund plus the liabilities of such Fund), the investment policies for all Funds are to be updated to replace all references to "Total Asset Value" with "Net Asset Value" (as currently defined in the Hong Kong Extract Prospectus). This change is made as a result of a change in the Swiss regulations such that the Funds may now adopt the use of "Net Asset Value", which is more in line with the market practice.

### ***Legg Mason Brandywine Global Fixed Income Fund***

The investment policies currently permit the Fund to invest up to 10 per cent of its Net Asset Value in debt securities of issuers located in Emerging Market Countries provided that the long-term sovereign debt of the Emerging Market Country in which the issuer is located must be rated Investment Grade (in addition to the security itself being rated Investment Grade) at the time of purchase. This is to be amended to permit the Fund to invest up to 20 per cent of its Net Asset Value in debt securities of issuers located in countries where both of the following criteria apply: (i) the country's local currency denominated long-term debt is rated below A- by S&P or the equivalent by all NRSROs rating the debt and (ii) the country is not represented in the Citigroup World Government Bond Index.

The investment policies are to be enhanced to emphasise that all debt securities purchased by the Fund will be rated Investment Grade at the time of purchase. If the investment so purchased is subsequently downgraded to below Investment Grade after the time of purchase, Sub-Investment Manager may in its discretion continue to hold the debt security if it determines that doing so is in the best interests of shareholders.

The two foregoing changes are made to reflect the Sub-Investment Manager's standard and method of evaluating the limit on investment grade countries/currencies for this Fund.

The investment policies are to be amended to delete reference to the following instruments as part of the Fund's permitted investments: corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets, including freely transferable promissory notes, debentures, bonds (including zero coupon bonds), convertible and non-convertible notes, commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; mortgage-backed securities (including collateralised debt obligations) and asset backed securities.

The investment policies currently provide that the Fund's portfolio is expected to maintain an average weighted duration of between 2 and 10 years. This range is to be changed to between 1 and 10 years.

### ***Legg Mason Western Asset Asian Opportunities Fund; Legg Mason Western Asset Emerging Markets Bond Fund; and Legg Mason Western Asset Euro Core Plus Bond Fund***

The investment policies of the above Funds currently do not require any minimum rating for debt securities purchased by the Funds; the policies are to be amended to prohibit each Fund from investing in debt securities rated below B- by S&P or its equivalent by another NRSRO rating the debt or if unrated, deemed to be of comparable quality by the relevant Investment Manager/Sub-Investment Manager. In the event that more than one rating agency rates the security and the ratings are not equivalent, the second highest rating will be considered the security's rating. Additionally, in the event that a debt security purchased by one of these Funds is downgraded to below B- by S&P or its equivalent by another NRSRO rating the debt, the Fund must sell the security within 6 months of the downgrade.

This change is made to allow the Funds to be eligible investments for certain investors.

### ***Legg Mason Western Asset Asian Opportunities Fund***

The investment policies of the Fund currently provides that the Fund seeks to achieve its investment objective by investing primarily in, among other instruments, debt securities issued or guaranteed by national governments located in “developed Asian countries and Emerging Asia/Pacific Countries (including but not limited to Bangladesh, China, Hong Kong, India, Indonesia, Kazakhstan, Laos, Macao, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Turkey and Vietnam)”. The quoted language is to be amended to “Asian countries”.

### ***Legg Mason Western Asset US High Yield Fund***

Currently the Fund will not invest in equity securities, including warrants, except for preferred shares subject to a limit of 10 percent of the Fund’s Net Asset Value. The investment policies are to be amended to permit the Fund to invest a maximum of 10 per cent of Net Asset Value in equity securities (including warrants and preferred shares) listed or traded on Regulated Markets listed in Schedule III of the Hong Kong Extract Prospectus.

This change is made to generally align the investment policies of the high yield funds managed by the Western Asset entities.

### ***Legg Mason Western Asset US Core Bond Fund***

The investment policies currently require the Fund to invest at least two-thirds of Total Asset Value in debt securities that are (i) listed or traded on Regulated Markets located in Developed Countries and Emerging Market Countries; (ii) denominated in US Dollars; and (iii) rated at the time of purchase at least BBB by S&P or Baa by Moody’s or, if unrated, deemed by the Fund’s Sub-Investment Manager to be of comparable quality. This requirement is to be raised to at least 75 per cent of the Fund’s Net Asset Value.

### ***Legg Mason Western Asset Inflation Management Fund***

The investment policies currently provide that the Fund’s average portfolio duration is expected to be between 1 and 8 years. This range is to be changed to between 1 and 15 years.

### ***Legg Mason Western Asset US Adjustable Rate Fund***

The investment policies currently provide that the Fund is expected to maintain an average portfolio duration of between 6 months and 1 year. This range is to be changed to between 0 and 1 year.

### ***Legg Mason Batterymarch Asia Pacific Equity Fund (to be renamed Legg Mason Batterymarch Asia Ex Japan Equity Fund)***

The investment policies currently permit the Fund to invest in equity securities of companies domiciled in Japan, Australia and New Zealand. These countries are to be removed as domiciles for companies in which the Fund may invest.

***Legg Mason Batterymarch European Equity Fund (to be renamed Legg Mason Batterymarch Managed Volatility European Equity Fund)***

The investment policies are to be amended to reflect that the Sub-Investment Manager seeks to manage the volatility of the Fund by favouring securities that (a) it has identified, through its proprietary security risk assessment process, as having less risk in aggregate relative to the overall risk of the equity market and (b) have demonstrated attractive dividends, high dividend growth, and the cash flow to support such dividends. The Sub-Investment Manager may take additional, non-quantitative factors into account when selecting portfolio securities, including the Sub-Investment Manager's macroeconomic outlook.

The investment policies currently permit the Fund to invest a maximum of 10 per cent of Total Asset Value in equity securities of companies domiciled in or having their principal activities in emerging markets in Europe. This limit is to be raised to 20 per cent of Net Asset Value.

The investment policies are to be amended to reflect that the Fund may invest in issuers of any market capitalisation.

The investment policies are to be amended to permit the Fund to also invest in equity-related securities.

***Legg Mason ClearBridge US Aggressive Growth Fund***

The investment policies currently permit the Fund to invest a maximum of 10 per cent of Total Asset Value in securities of non-US Issuers or non-US Companies. This limit is to be raised to 20 per cent of the Fund's Net Asset Value.

The investment policies currently provide that "the Sub-Investment Manager anticipates that the Fund would invest primarily in the securities of small or medium-sized companies, and to a lesser degree in the securities of large, well-known companies." The investment policies are to be amended to reflect that the Fund "may invest in securities of small, medium, and large companies offering prospects of long-term earnings growth and/or cash flow without a specific target weighting for company size".

***Legg Mason Capital Management Value Fund (to be renamed Legg Mason ClearBridge Value Fund)***

The investment policies currently permit the Fund to invest a maximum of 25 per cent of its Total Asset Value in non-US issuers. This limit is to be lowered to 20 per cent of the Fund's Net Asset Value.

***Legg Mason Capital Management Opportunity Fund (to be renamed Legg Mason Opportunity Fund)***

The investment policies are to be amended to delete reference to "private investment companies (including hedge funds and private equity funds)" as part of the Fund's permitted investments.

The investment policies are to be amended to delete the following: "Additionally, a maximum of 10 percent of the Net Asset Value of Fund will be invested in collective investment schemes (including hedge funds, private equity funds and exchange-traded funds which do not meet the requirements of Regulation 68(1)(e) of the

UCITS Regulations) and other transferable securities and money market instruments other than those referred to in paragraph A.1. of Schedule II to this Document.”

***Legg Mason Royce Smaller Companies Fund (to be renamed Legg Mason Royce US Smaller Companies Fund)***

The investment policies currently provide that the Fund invests at least two-thirds of its Total Asset Value in equity securities issued by companies with stock market capitalisations of less than US\$5 billion. This policy is to be amended to reflect that the Fund will invest at least two-thirds of its Net Asset Value in equity securities issued by “US Companies” with market capitalisations of less than US\$5 billion.

**Emerging Market Definition for Western Asset Funds**

The investment policies of each of the Legg Mason Western Asset Diversified Strategic Income Fund, Legg Mason Western Asset Emerging Markets Bond Fund, Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Western Asset Global High Yield Fund, Legg Mason Western Asset Global Multi Strategy Fund, Legg Mason Western Asset US Core Bond Fund and Legg Mason Western Asset US High Yield Fund permit the Fund to invest in securities of issuers located in Emerging Market Countries. The definition of “Emerging Market Country” as it relates to the above named sub-funds is to be amended to mean:

- “(i) any country included in the J.P. Morgan Emerging Market Bond Index Global (the “EMBI Global Index”), the J.P. Morgan Corporate Emerging Market Bond Index Broad (the “CEMBI Broad Index”), or the J.P. Morgan Government Bond Index - Emerging Market Global Diversified (the “GBI-EM Global Diversified Index”); or
- (ii) any country that is classified by the World Bank as low or middle income in its annual classification of national incomes;”

The intention of this change is to clarify and update the countries considered as “Emerging Market Countries” with the evolution of emerging markets and for consistency for the Funds managed by Western Asset entities.

For the Funds which do not include “Western Asset” in their name and which are permitted to invest in securities of issuers located in Emerging Market Countries the definition will remain substantially unchanged.

**(iv) Appointment of additional Sub-Investment Manager: Legg Mason Western Asset Global High Yield Fund**

Western Asset Management Company Pte. Ltd whose registered address is at 1 George Street, #23-01, Singapore 049145 will be appointed as a Sub-Investment Manager of the Legg Mason Western Asset Global High Yield Fund in addition to the two existing Sub-Investment Managers of this Fund. Western Asset Management Company Pte. Ltd will be appointed to provide additional Asian investment expertise and support to the Asian portion of assets of this global fund.

This additional appointment will not result in any change in the investment objectives, policies or restrictions; risk profile; and fee structure of the Fund. Further, this additional appointment will not result in any material changes to the operation and/or manner in which this Fund is being managed.



**(v) Fund Removals**

All references to the Legg Mason LMHK China Fund, Legg Mason LMHK Greater China Fund, Legg Mason LMHK Hong Kong Equity Fund, Legg Mason Esemplia Emerging Markets Select Equity Fund, Legg Mason PCM US Equity Fund, Legg Mason Royce European Smaller Companies Fund and Legg Mason Royce Global Smaller Companies Fund are to be removed from the Hong Kong Extract Prospectus due to the withdrawal of their authorisation from the Securities and Futures Commission on 2 May 2014.

**(vi) Fees and Expenses**

This section is also to be updated to include non-exhaustive examples and enhance disclosure regarding administrative fees and to explain the types of expenses that may be considered “other operating expenses” and may be charged to the shareholders under the Company’s Articles. Such administrative fees may include fees paid to entities that provide record keeping and related services. The other operating expenses may include fees payable to Legg Mason or other service providers (such as expenses related to governance support, reporting and services to the Company’s Board and ongoing registration services for jurisdictions where the Funds are publicly offered). These fees and expenses are in addition to the shareholder servicing, investment management and performance fees (as applicable).

**(vii) Distributions**

This section and all other references throughout the Hong Kong Extract Prospectus are to be amended. Current disclosure states that for all Distributing Share Classes, at the time of each dividend declaration, “net investment income, if any, will be declared as a dividend.” The quoted language is to be changed to “all, or some portion of, net investment income, if any, will be declared as a dividend”. The change is made to enable flexibility for the Funds to declare variable amounts of net investment incomes as dividends.

The distribution policy for all existing Distributing Plus Share Classes in the Hong Kong Extract Prospectus is to be amended to permit the share class to declare, in the discretion of the Directors of the Company, dividends out of capital of the Fund, and to disclose the risks and impact on investors that are associated with investing in such share classes. These share classes will no longer be permitted to charge certain fees and expenses to capital rather than income. It should be noted that the declaration of distributions in the Distributing Plus Share Classes, which may distribute capital: effectively amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment; may result in an immediate reduction of the Distributing Plus Share Classes’ net asset value per share; could result in the erosion of capital for investors in those Distributing Plus Share Classes; and the distribution will be achieved by foregoing the potential for future capital growth of the investment of the Shareholders of the Distributing Plus Share Classes; and the value of future returns may also be diminished. This cycle may continue until all capital is depleted.

The composition of dividends for the Distributing Plus Share Classes may be obtained upon request by investors in Hong Kong from Legg Mason Asset Management Hong Kong Limited, the Hong Kong Representative of the Legg Mason Global Funds plc. and will also be available on the Hong Kong Representative’s

website\*. Investors should note that this website has not be reviewed by the Securities and Futures Commission of Hong Kong (SFC).

There is no change in the fee level / costs in managing the Funds as a result of the above changes to distributions policies.

**(viii) Dilution Adjustments**

The Hong Kong Extract Prospectus currently permits the charging of an anti-dilution levy on subscriptions and redemptions of each share class. Following the amendments made to the Company's Articles of Association at the extraordinary general meeting held on 30 August 2013, as summarised in the circular sent to shareholders on 7 August 2013, it is proposed to allow for dilution adjustments to the Net Asset Value per Share of a Fund on Dealing Days in certain circumstances.

This dilution adjustment will apply to all Funds, except the Legg Mason Western Asset US Money Market Fund, and will permit the Company to make a dilution adjustment by increasing or decreasing the Net Asset Value per Share of a Fund if net subscriptions or redemptions exceed certain pre-determined percentage thresholds relating to a Fund's Net Asset Value or in cases where the Directors or their delegates reasonably believe imposing a dilution adjustment is in the best interest of existing Shareholders. The purpose of the dilution adjustment is to prevent existing Shareholders from bearing the costs associated with large cash inflows or outflows from a Fund.

The Funds will no longer charge anti-dilution levies, and all references to anti-dilution levies are to be removed from the Hong Kong Extract Prospectus.

**(ix) Utilisation of Derivatives**

Disclosure is to be added to the "Types and Description of FDI" section to better explain the use, purpose and possible effects on a Fund of purchasing and writing option and utilising futures and options on futures as part of a Fund's strategy. Disclosures are likewise added to the "Risk Factors" section to enhance the disclosure on the risks associated with the use of options, futures and options on futures.

**(x) Foreign Account Tax Compliance Act ("FATCA")**

Disclosure is to be added to the "US Tax Considerations," "Risk Factors" and "Data Protection Notice" sections addressing the implementation of FATCA. FATCA is a US tax regulation that requires the Company, the Funds and Dealers to take certain steps to ensure that Shareholders who are US citizens and residents are not evading US taxes by holding Shares in the Funds.

**(xi) Selling Restrictions**

The "United States of America" sub-heading of the "Selling Restrictions" section is to be amended to reflect that Shares of the Funds may not be offered to US Persons (as defined in the Hong Kong Extract Prospectus) and may only be offered and sold to Non-United States persons.

The following definition of "Non-United States person" is to be added to the "Definitions" section:

“Non-United States person” means any of the following: (a) a natural person who is not a resident of the US; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction; (c) an estate or trust, the income of which is not subject to US income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of the US Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the US.”

**(xii) Schedule II (Various Investment Restrictions)**

The restriction pertaining to the Legg Mason Western Asset US Money Market Fund under subsection (c) of “C. Investment Restrictions Applicable to the Funds Under Hong Kong Regulations” is to be deleted in its entirety. Subsection (d) is to be relabeled as subsection (c).

Disclosure is to be added under “D. Investment Restrictions Applicable to the Funds Under Taiwanese Regulations” to reflect that the restrictions included under subsections (e) and (f) will not apply to any Fund which has been granted an exemption from the Taiwanese Financial Regulator.

The following restrictions are to be added under a new sub-section headed “E. Investment Restrictions Applicable to the Funds Under Korean Regulations”:

“Upon the registration of any Fund for sale in Korea, the following investment restrictions will also apply:

- 1) The Fund may not grant loans or act as a guarantor on behalf of third parties;
- 2) The Fund may invest no more than 35 per cent of its Net Asset Value in transferable securities or money market instruments issued or guaranteed by the government of Brazil;
- 3) The Fund may not borrow money except to borrow up to 10 per cent of its Net Asset Value provided that such borrowing is on a temporary basis;
- 4) The Fund may invest no more than 20 per cent of its Net Asset Value in any one collective investment scheme, and may not invest more than 30 per cent of its Net Asset Value in collective investment schemes which invest 50 per cent or more of their Net Asset Values in underlying instruments which are not equity securities, debt securities, security depository receipts or other securities (a collective investment scheme for purposes of this clause is as defined under the Financial Investment Services and Capital Markets Act of Korea).”

**(xiii) Schedule III (the Regulated Markets)**

The following are to be added to the list of stock exchanges and markets set out therein in which investments may be made (as defined under “Regulated Markets”): the government securities markets (conducted by regulated primary dealers and secondary dealers) in China, Hong Kong, India, Indonesia, South Korea, Malaysia,

the Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam; the over-the-counter market in Hong Kong, which is conducted by primary dealers and secondary dealers regulated by the Hong Kong Securities and Futures Commission, and by banking institutions regulated by the Hong Kong Monetary Authority; the over-the-counter market in Malaysia, which is conducted by primary dealers, secondary dealers regulated by Securities Commission Malaysia and banking institutions which are regulated by Bank Negara Malaysia; the over-the-counter market in South Korea regulated by the Korea Financial Investment Association; and the Indonesia Stock Exchange.

The following markets are to be removed from the list of stock exchanges and markets set out therein in which investments may be made: SESDAQ, the Bombay Stock Exchange, the Jakarta Stock Exchange and the Surabaya Stock Exchange.

The following are to be added to the list of stock exchanges and markets set out therein in which investments in financial derivative instruments may be made: Bursa Malaysia Derivatives Berhad and Thailand Futures Exchange.

**(xiv) Schedule IV (Ratings of Securities)**

This schedule is to be updated to include the Fitch International long-term credit ratings and short term credit ratings.

**(xv) Schedule VIII and Schedule IX (“US Person” and “US Reportable Person”) - New**

Schedule VIII and Schedule IX are to be added to provide disclosure regarding the definitions of “US Person” and “US Reportable Person”, respectively.

**II. Restructuring of the Hong Kong Extract Prospectus**

It is intended that, subject to review and approval by the SFC, the Hong Kong Extract Prospectus will be restructured: in light of the restructuring of the Fund’s Dublin prospectus under which there will be a separate supplement for each Fund that will disclose the investment objective and policies and other key information about the Fund, the Hong Kong Extract Prospectus will also be restructured in due course. Such Fund-specific information will no longer appear in the main body of the Hong Kong Extract Prospectus. We believe that this format will be more user-friendly. We will provide an update on the restructuring in the materials announcing the annual general meeting in August.

**III. Effective Date of the Changes**

Unless stated otherwise in this document, all changes mentioned herein will take effect on the date on which the revised prospectus and related documentation required by the Central Bank and the SFC and submitted by the Company (reflecting the abovementioned changes) have been approved by the Central Bank and the SFC (the “Effective Date”). It is expected that the Effective Date will be on or around 30 June 2014. The Company will issue an announcement to the Irish Stock Exchange confirming the changes.

Effective Date and that announcement will be available on the Irish Stock Exchange’s website ([www.ise.ie](http://www.ise.ie)).

## Redemption of Shares

Shareholders who do not wish to remain in a Fund following the implementation of any of the above changes may redeem their Shares by following the usual redemption procedures as set out in the Hong Kong Extract Prospectus. Where applicable, redemptions of Shares will be subject to a contingent deferred sales charge as set out in the Hong Kong Extract Prospectus.

Should you have any questions relating to these matters, you should either contact us at the above address or alternatively you should contact your financial advisor, your distributor or the Hong Kong Representative at Suites 1202-03, 12/F, York House, The Landmark, 15 Queen's Road Central, Hong Kong (Investor Hotline +852 3652 3088).

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'J. de la...', written in a cursive style.

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Director  
For and on behalf of  
Legg Mason Global Funds plc