

**Legg Mason Global Funds FCP (Luxembourg)**

A Mutual Fund constituted under the Luxembourg Law as a “fonds commun de placement” with multiple compartments (Sub-Funds)

# Unaudited Semi-Annual Report

For the period ended 30 September 2009



Legg Mason Global Funds FCP (Luxembourg)  
*A Mutual Fund under Luxembourg Law*  
*Unaudited Semi-Annual Report for the period ended*  
*30 September 2009*

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\* Not authorised in Hong Kong and not available to Hong Kong Residents.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus.

## General Information on the Fund

### Management Company

Legg Mason Investments (Luxembourg) S.A.  
145, rue du Kiem  
L-8030 Strassen, Grand Duchy of Luxembourg

### Incorporation

Legg Mason Investments (Luxembourg) S.A., (the "Management Company") was established in Luxembourg on 26 May 1988 as a Société Anonyme under the laws of Luxembourg for an unlimited period of time.

Its Articles of Incorporation were deposited with the "Registre de Commerce et des Sociétés" of Luxembourg and published in the "Mémorial" on 25 July 1988. They were last amended on 31 March 2008.

Its objective is the creation, administration, marketing and management of one or several Luxembourg and/or foreign collective investments funds in transferable securities authorised according to the directive 85/611/EEC and to provide services to undertakings for collective investment.

### Board of Directors of the Management Company

#### Chairman

Joseph P. LaRocque  
Managing Director  
100 International Drive  
11th floor, South West  
Baltimore, MD 21202, U.S.A.

#### Directors

John Alldis  
Director  
Legg Mason Investments (Luxembourg) S.A.  
145, rue du Kiem  
L-8030 Strassen, Grand Duchy of Luxembourg

Joseph M. Keane  
Consultant  
15 Rathasker Heights  
Nass. Co. Kildare, Ireland

### Investment Managers

The Management Company has, at its own expense appointed the following Investment Managers to support the Management of the Fund's assets:

Batterymarch Financial Management, Inc.  
John Hancock Tower  
200 Clarendon Street  
Boston, MA 02116, U.S.A.

ClearBridge Advisors LLC  
620 Eighth Avenue, 48th Floor  
New York, NY 10018, U.S.A.

Legg Mason Asset Management Hong Kong Ltd.  
12/F., York House, the Landmark  
15 Queen's Road Central  
Hong Kong

Legg Mason International Equities Ltd.  
(trading as "Esemplia Emerging Markets")\*  
10 Exchange Square  
Primrose Street, 9th Floor  
London, EC2A2EN, United Kingdom

Western Asset Management Company  
385 East Colorado Boulevard  
Pasadena, CA 91101, U.S.A.

Western Asset Management Company Ltd.  
The Center Building  
1-1-3 Otermache  
Chiyoda-ku, Tokyo 400-100004

### Investment Advisor

The Investment Managers and the Board of Directors of the Management Company may from time to time appoint the following Investment Advisor:

Legg Mason International Equities (Singapore) Pte Limited  
1 George Street #23-02  
Singapore 049145

### Custodian Bank, Administrator, Transfer Agent and Registrar

Citibank International plc (Luxembourg Branch)  
Atrium Business Park  
31, Z.A. Bourmicht  
L-8070 Bertrange, Grand Duchy of Luxembourg

### Independent Auditor

PricewaterhouseCoopers S.à r.l.  
Réviseur d'entreprises  
400, route d'Esch  
L-1471 Luxembourg, Grand Duchy of Luxembourg

\* From 16 January 2009, Legg Mason International Equities Limited adopted the brand name of "Esemplia Emerging Markets". The use of a brand name in no way affects the legal vehicle through which the firm operates, which remains Legg Mason International Equities Limited.

## General Information on the Fund – *(continued)*

### **Regarding the Distribution of the Fund in Germany**

The Articles of Incorporation, the prospectus and the simplified prospectus, the annual and semi-annual reports as well as the changes in the investment portfolios during the reporting year can be obtained free of charge at the registered office of the representative and paying agent for Germany which is:

Marcard, Stein & Co. AG  
Ballindamm 36  
20095 Hamburg, Germany

### **Regarding the Distribution of the Fund in Switzerland**

The Articles of Incorporation, the prospectus and the simplified prospectus, the annual and semi-annual reports as well as the changes in the investment portfolios during the reporting year can be obtained free of charge at the registered office of the Information, distribution and paying agent for Switzerland which is:

BNP Paribas Securities Services S.A., Paris  
Zweigniederlassung Zürich  
Selnastrasse 16, P.O. Box,  
8022 Zürich, Switzerland

### **Information to Unitholders**

Audited annual reports are available for inspection by Unitholders at the registered office of the Management Company and at the paying agents and distributors within four months after the close of the accounting year. Unaudited semi-annual reports are also made available in the same manner within two months after the end of the period to which they refer.

# Legg Mason Global Equity Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description   | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value | Description                                   | Market Value | %<br>NAV |
|--|---|--------------|----------|-------------------------------|---|--------------|----------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |   |              |          | 15,370                        | Telefonica SA                                 | 424,491      | 1.22     |
| <b>AUD Equities</b>  |   |              |          | 2,964                         | ThyssenKrupp AG                               | 101,732      | 0.29     |
| 5,432  | Commonwealth Bank of Australia                          | 246,117      | 0.71     | 5,238                         | Total SA                                      | 310,543      | 0.89     |
| 2,428  | Macquarie Group Limited                                 | 121,475      | 0.35     | 24,158                        | UniCredito Italiano SpA                       | 95,565       | 0.27     |
| 14,556   | Tabcorp Holdings Limited                                | 90,256       | 0.26     | 6,799                         | Unilever NV                                   | 194,598      | 0.56     |
| 14,667   | Westpac Banking Corp.                                   | 337,118      | 0.97     | 2,400                         | Vinci SA                                      | 135,778      | 0.39     |
|  |   |              |          |                               |   | 5,775,530    | 16.57    |
|  |   | 794,966      | 2.29     | <b>GBP Equities</b>           |   |              |          |
| <b>CAD Equities</b>  |   |              |          | 4,705                         | Anglo American PLC                            | 153,219      | 0.44     |
| 6,000  | Alimentation Couche Tard Inc.                           | 104,755      | 0.30     | 8,300                         | AstraZeneca PLC                               | 374,982      | 1.08     |
| 2,100  | Bank of Montreal  | 104,339      | 0.30     | 21,970                        | Aviva PLC                                     | 150,969      | 0.43     |
| 3,000  | Bk Of NV Scotia Com Npv                                 | 134,914      | 0.39     | 19,300                        | BAE Systems PLC                               | 105,864      | 0.30     |
| 2,300  | Canadian Natural Resources Limited                      | 153,228      | 0.44     | 40,380                        | Barclays Bank                                 | 237,611      | 0.68     |
| 4,600  | EnCana Corp.  | 264,778      | 0.76     | 5,600                         | BG Group PLC                                  | 97,720       | 0.28     |
| 1,600  | First Quantum Minerals Limited                          | 100,977      | 0.29     | 20,200                        | BHP Billiton PLC                              | 556,256      | 1.60     |
| 4,300  | Industrial Alliance Insurance & Financial Services Inc. | 118,065      | 0.34     | 41,615                        | BP PLC  | 370,649      | 1.06     |
| 3,550  | Royal Bank of Canada                                    | 187,572      | 0.54     | 5,236                         | British American Tobacco PLC                  | 165,630      | 0.48     |
| 4,500  | Teck Cominco Limited                                    | 122,398      | 0.35     | 11,454                        | GlaxoSmithKline PLC                           | 226,886      | 0.65     |
| 2,100  | Toronto Dominion Bank                                   | 134,095      | 0.38     | 17,700                        | HSBC Holdings PLC                             | 204,724      | 0.59     |
|  |   | 1,425,121    | 4.09     | 258,667                       | Inchcape PLC                                  | 116,161      | 0.33     |
| <b>CHF Equities</b>  |   |              |          | 13,457                        | Marks & Spencer Group PLC                     | 80,376       | 0.23     |
| 1,189  | Baloise Holding AG – Reg.                               | 112,723      | 0.32     | 5,747                         | Rio Tinto PLC                                 | 244,576      | 0.70     |
| 9,133  | Nestle SA – Reg.  | 387,286      | 1.11     | 12,500                        | Standard Chartered PLC                        | 305,772      | 0.88     |
| 5,300  | Novartis AG – Reg.                                      | 261,558      | 0.75     | 80,811                        | Vodafone Group PLC                            | 182,224      | 0.52     |
| 900  | Roche Holding AG  | 146,234      | 0.42     | 8,795                         | Xstrata PLC                                   | 129,085      | 0.37     |
|  |   | 907,801      | 2.60     |                               |   | 3,702,704    | 10.62    |
| <b>DKK Equities</b>  |   |              |          | <b>HKD Equities</b>           |   |              |          |
| 5,000  | H Lundbeck A/S  | 104,040      | 0.30     | 61,500                        | BOC Hong Kong Holdings Limited                | 135,851      | 0.39     |
| <b>EUR Equities</b>  |   |              |          | <b>JPY Equities</b>           |   |              |          |
| 17,070   | Banco Bilbao Vizcaya Argentaria                         | 306,474      | 0.88     | 10,800                        | Aeon Company Limited                          | 101,929      | 0.29     |
| 19,952   | Banco Santander Central Hispano SA                      | 323,251      | 0.93     | 1,900                         | Daito Trust Construction Company Limited      | 81,662       | 0.23     |
| 5,644  | BASF AG   | 296,076      | 0.85     | 3,400                         | Fujifilm Holdings Corp .                      | 101,313      | 0.29     |
| 2,193  | Bayerische Motoren Werke AG                             | 107,419      | 0.31     | 24,000                        | Furukawa Electric Company Limited             | 99,164       | 0.28     |
| 3,238  | Bolsas y Mercados Espanoles                             | 127,949      | 0.37     | 45,000                        | Hokuhoku Financial Group Inc.                 | 102,188      | 0.29     |
| 1,239  | Delhaize Group  | 85,790       | 0.25     | 3,300                         | Honda Motor Company Limited                   | 98,881       | 0.28     |
| 5,785  | Deutsche Telekom AG – Reg.                              | 79,507       | 0.23     | 15,000                        | Itochu Corp.                                  | 99,197       | 0.28     |
| 3,327  | E.ON AG   | 141,433      | 0.41     | 122                           | Jupiter Telecommunications Company            | 115,141      | 0.33     |
| 33,800   | Enel SpA  | 212,359      | 0.61     | 29                            | KDDI Corp.                                    | 167,045      | 0.48     |
| 19,237   | Energias de Portugal SA                                 | 86,870       | 0.25     | 3,000                         | Lawson Inc.                                   | 137,912      | 0.40     |
| 9,300  | ENI SpA   | 230,744      | 0.66     | 5,300                         | Mitsubishi Corp.                              | 106,910      | 0.31     |
| 5,643  | European Aeronautic Defense & Space Company             | 123,021      | 0.35     | 12,200                        | Mitsui & Company Limited                      | 160,279      | 0.46     |
| 3,894  | GDF Suez  | 171,143      | 0.49     | 5,200                         | Nippon Telegraph & Telephone Corp.            | 239,047      | 0.70     |
| 2,000  | HeidelbergCement AG                                     | 127,983      | 0.37     | 11,600                        | Nomura Holdings Inc.                          | 72,472       | 0.21     |
| 7,995  | ING Groep NV  | 137,554      | 0.39     | 36                            | NTT Data Corp.                                | 117,202      | 0.34     |
| 1,543  | Muenchener Rueckversicherungs-Gesellschaft AG – Reg.    | 242,785      | 0.70     | 4,300                         | Seven & I Holdings Company Limited            | 101,457      | 0.29     |
| 2,566  | OMV AG  | 103,186      | 0.30     | 47,000                        | Showa Denko KK                                | 91,110       | 0.26     |
| 15,500   | Royal Dutch Shell PLC                                   | 446,339      | 1.28     | 4,300                         | Sony Corp.                                    | 126,464      | 0.36     |
| 2,296  | RWE AG  | 212,339      | 0.61     | 4,100                         | Sumitomo Mitsui Financial Group Inc.          | 138,521      | 0.40     |
| 4,200  | Sanofi-Aventis  | 307,735      | 0.88     | 6,000                         | Sumitomo Realty & Development Company Limited | 112,057      | 0.32     |
| 2,900  | SCOR  | 78,216       | 0.22     | 4,800                         | Takeda Pharmaceutical Company Limited         | 197,264      | 0.57     |
| 3,677  | Siemens AG – Reg.                                       | 346,580      | 0.99     | 4,600                         | Tohoku Electric Power Company Inc.            | 101,248      | 0.29     |
| 1,409  | Société Générale  | 115,553      | 0.33     | 5,800                         | Tokyo Electric Power Company Inc. (The)       | 151,304      | 0.43     |
| 970  | Solvay SA   | 102,517      | 0.29     | 22,000                        | Tokyo Gas Company Limited                     | 88,950       | 0.26     |
|  |   |              |          | 5,400                         | Toyota Motor Corp.                            | 213,547      | 0.61     |
|  |   |              |          |                               |   | 3,122,264    | 8.96     |

# Legg Mason Global Equity Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description                            | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value | Description                           | Market Value | %<br>NAV |
|-------------------------------|--|--------------|----------|-------------------------------|---------------------------------------|--------------|----------|
| <b>KRW Equities</b>           |  |              |          | 1,900                         | Eli Lilly & Company                   | 63,498       | 0.18     |
| 1,430                         | LG Corp.                               | 96,439       | 0.28     | 9,400                         | EMC Corp. / MA                        | 159,988      | 0.46     |
| 142                           | Samsung Electronics Company Limited    | 97,201       | 0.28     | 6,400                         | Exxon Mobil Corp.                     | 442,047      | 1.27     |
| 969                           | SK Holdings Company Limited            | 91,898       | 0.26     | 2,200                         | FPL Group Inc.                        | 121,308      | 0.35     |
|                               |  | 285,538      | 0.82     | 4,400                         | Gap Inc.                              | 94,380       | 0.27     |
| <b>NOK Equities</b>           |  |              |          | 2,200                         | Garmin Limited                        | 82,654       | 0.24     |
| 15,800                        | Aceryg SA                              | 195,925      | 0.56     | 3,000                         | General Dynamics Corp.                | 193,410      | 0.55     |
| 4,950                         | Statoil ASA                            | 110,436      | 0.32     | 14,215                        | General Electric Capital Corp.        | 237,533      | 0.68     |
|                               |  | 306,361      | 0.88     | 1,100                         | Goldman Sachs Group Inc.              | 201,938      | 0.58     |
| <b>SEK Equities</b>           |  |              |          | 4,900                         | Hewitt Associates Inc.                | 180,516      | 0.52     |
| 8,343                         | Electrolux AB                          | 192,479      | 0.55     | 7,792                         | Hewlett-Packard Company               | 369,652      | 1.06     |
| <b>SGD Equities</b>           |  |              |          | 13,900                        | Intel Corp.                           | 270,772      | 0.78     |
| 56,000                        | Noble Group Limited                    | 97,491       | 0.28     | 4,532                         | International Business Machines Corp. | 538,447      | 1.55     |
| 43,000                        | SembCorp Industries Limited            | 101,529      | 0.29     | 7,000                         | International Paper Company           | 159,390      | 0.46     |
|                               |  | 199,020      | 0.57     | 2,800                         | Jardine Matheson Holdings Limited     | 86,520       | 0.25     |
| <b>USD Equities</b>           |  |              |          | 4,000                         | Jardine Strategic Holdings Limited    | 68,000       | 0.20     |
| 3,700                         | Abbott Laboratories                    | 181,670      | 0.52     | 4,800                         | Johnson & Johnson                     | 292,464      | 0.84     |
| 3,400                         | Accenture Limited                      | 126,650      | 0.36     | 4,692                         | JPMorgan Chase & Company              | 210,577      | 0.60     |
| 2,300                         | Advance Auto Parts                     | 90,137       | 0.26     | 6,050                         | KBR Inc.                              | 141,087      | 0.40     |
| 2,100                         | Aeropostale Inc.                       | 91,497       | 0.26     | 1,600                         | Kimberly-Clark Corp.                  | 92,192       | 0.26     |
| 9,400                         | AES Corp. (The)                        | 143,256      | 0.41     | 1,900                         | Kohl's Corp.                          | 107,141      | 0.31     |
| 2,700                         | Aetna Inc.                             | 76,275       | 0.22     | 6,300                         | Kraft Foods Inc.                      | 163,926      | 0.47     |
| 2,200                         | Affiliated Computer Services Inc.      | 121,704      | 0.35     | 2,200                         | Lockheed Martin Corp.                 | 173,910      | 0.50     |
| 2,300                         | Aflac Inc.                             | 98,509       | 0.28     | 1,400                         | Lorillard Inc.                        | 104,636      | 0.30     |
| 900                           | Alliant Techsystems Inc.               | 69,705       | 0.20     | 6,400                         | Masco Corp.                           | 85,696       | 0.25     |
| 14,808                        | Altria Group Inc.                      | 265,063      | 0.76     | 930                           | McDonald's Corp.                      | 53,168       | 0.15     |
| 6,800                         | America Movil SA de CV – ADR           | 298,452      | 0.86     | 2,500                         | Medco Health Solutions Inc.           | 140,125      | 0.40     |
| 1,900                         | American Express Company               | 64,581       | 0.19     | 4,400                         | Merck & Company Inc.                  | 140,140      | 0.40     |
| 4,600                         | American Financial Group Inc. / OH     | 119,646      | 0.34     | 3,100                         | Metlife Inc.                          | 119,629      | 0.34     |
| 3,200                         | Amgen Inc.                             | 193,472      | 0.56     | 12,200                        | Microsoft Corp.                       | 314,150      | 0.90     |
| 1,300                         | Apache Corp.                           | 118,989      | 0.34     | 4,100                         | Morgan Stanley                        | 127,469      | 0.37     |
| 2,200                         | Apollo Group Inc.                      | 159,742      | 0.46     | 1,800                         | National Oilwell Varco Inc            | 77,598       | 0.22     |
| 900                           | Apple Inc.                             | 166,842      | 0.48     | 2,300                         | Navistar International Corp.          | 86,549       | 0.25     |
| 4,000                         | Archer-Daniels-Midland Company         | 112,800      | 0.32     | 5,300                         | NCR Corp.                             | 73,140       | 0.21     |
| 3,900                         | Arrow Electronics Inc.                 | 110,253      | 0.32     | 4,200                         | Noble Corp.                           | 158,592      | 0.46     |
| 12,200                        | AT&T Inc.                              | 331,840      | 0.95     | 2,600                         | Northrop Grumman Corp.                | 137,150      | 0.39     |
| 2,800                         | Avnet Inc.                             | 73,080       | 0.21     | 2,200                         | Omnicom Group                         | 83,380       | 0.24     |
| 7,100                         | Bank of America Corp.                  | 121,836      | 0.35     | 15,900                        | Oracle Corp.                          | 335,808      | 0.96     |
| 4,130                         | Bank of Hawaii Corp.                   | 173,997      | 0.50     | 4,600                         | Pactiv Corp.                          | 122,084      | 0.35     |
| 9,200                         | Bristol-Myers Squibb Company           | 210,496      | 0.60     | 1,800                         | Pepsico Inc.                          | 105,318      | 0.30     |
| 1,100                         | CF Industries Holdings Inc.            | 94,424       | 0.27     | 13,000                        | Pfizer Inc.                           | 218,010      | 0.63     |
| 5,394                         | Chevron Corp.                          | 382,489      | 1.10     | 6,608                         | Philip Morris International Inc.      | 321,942      | 0.92     |
| 19,700                        | Cisco Systems Inc.                     | 459,010      | 1.32     | 6,580                         | Procter & Gamble Company              | 381,048      | 1.09     |
| 2,600                         | Coach Inc.                             | 86,008       | 0.25     | 3,200                         | Prudential Financial Inc.             | 159,872      | 0.46     |
| 1,800                         | Coca Cola Company                      | 95,958       | 0.28     | 2,700                         | Public Service Enterprise Group Inc.  | 85,374       | 0.24     |
| 5,500                         | Coca-Cola Enterprises Inc.             | 115,665      | 0.33     | 4,200                         | Raytheon Company                      | 202,860      | 0.58     |
| 14,800                        | Comcast Corp.                          | 257,224      | 0.74     | 18,195                        | Rosneft Oil Company – GDR             | 138,282      | 0.40     |
| 4,200                         | Computer Associates International Inc. | 93,828       | 0.27     | 3,500                         | Ross Stores Inc.                      | 168,315      | 0.48     |
| 2,600                         | Computer Sciences Corp.                | 138,450      | 0.40     | 12,000                        | Sara Lee Corp.                        | 131,640      | 0.38     |
| 3,900                         | ConocoPhillips                         | 176,358      | 0.51     | 2,500                         | State Street Corp.                    | 131,650      | 0.38     |
| 1,800                         | CSX Corp.                              | 77,526       | 0.22     | 4,600                         | Sybase Inc.                           | 177,560      | 0.51     |
| 3,200                         | Dean Foods Company                     | 56,896       | 0.16     | 2,400                         | Target Corp.                          | 113,472      | 0.33     |
| 16,100                        | Dell Inc.                              | 244,237      | 0.70     | 5,100                         | TD Ameritrade Holding Corp.           | 102,306      | 0.29     |
| 4,200                         | Discovery Holding Company              | 119,196      | 0.34     | 4,400                         | Texas Instruments Inc.                | 103,620      | 0.30     |
| 5,100                         | Dow Chemical Company (The)             | 134,385      | 0.39     | 4,400                         | Time Warner Inc.                      | 128,612      | 0.37     |
| 4,800                         | Dresser-Rand Group Inc.                | 150,288      | 0.43     | 3,000                         | TJX Companies Inc.                    | 111,000      | 0.32     |
| 2,000                         | DTE Energy Company                     | 71,160       | 0.20     | 2,900                         | Torchmark Corp.                       | 127,484      | 0.37     |
|                               |  |              |          | 900                           | Transocean Inc.                       | 76,986       | 0.22     |
|                               |  |              |          | 4,600                         | Tyco Electronics Limited              | 101,568      | 0.29     |
|                               |  |              |          | 4,300                         | Tyco International Limited            | 146,845      | 0.42     |
|                               |  |              |          | 2,700                         | UGI Corp.                             | 68,553       | 0.20     |

# Legg Mason Global Equity Fund

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value  | Description                            | Market Value      | %<br>NAV      |
|--|--|-------------------|---------------|
| 2,500  | United Technologies Corp.              | 153,275           | 0.44          |
| 6,300  | UnitedHealth Group Inc.                | 161,784           | 0.46          |
| 2,600  | URS Corp.                              | 114,608           | 0.33          |
| 10,300   | Verizon Communications Inc.            | 310,648           | 0.89          |
| 2,810  | Wal-Mart Stores Inc.                   | 138,336           | 0.40          |
| 1,500  | WellPoint Inc.                         | 73,920            | 0.21          |
| 3,150  | Wells Fargo & Company                  | 89,303            | 0.26          |
| 8,700  | Williams Companies Inc.                | 158,079           | 0.45          |
|  |  | 17,386,528        | 49.90         |
| <b>ZAR Equities</b>  |  |                   |               |
| 6,650  | Bidvest Group Limited                  | 105,920           | 0.30          |
|  | <b>Total Equities</b>                  | <b>34,444,123</b> | <b>98.84</b>  |
| <b>EUR Rights</b>  |  |                   |               |
| 1,000  | Heidelbergcement AG – Right 07/Oct/09  | 4,785             | 0.01          |
|  | <b>Total Rights</b>                    | <b>4,785</b>      | <b>0.01</b>   |
| <b>USD Funds</b>   |  |                   |               |
| 1,600  | Alexandria Real Estate Equities Inc.   | 88,512            | 0.26          |
| 5,600  | Annaly Capital Management Inc.         | 102,312           | 0.29          |
| 12   | Simon Property Group Inc.              | 832               | 0.00          |
|  | <b>Total Funds</b>                     | <b>191,656</b>    | <b>0.55</b>   |
| <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>   |  |                   |               |
|  |  | <b>34,640,564</b> | <b>99.40</b>  |
| <b>Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities</b>       |  |                   |               |
| <b>USD Equities</b>  |  |                   |               |
| 2,600  | Lukoil – ADR                           | 142,480           | 0.41          |
|  | <b>Total Equities</b>                  | <b>142,480</b>    | <b>0.41</b>   |
| <b>Total Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities</b> |  |                   |               |
|  |  | <b>142,480</b>    | <b>0.41</b>   |
|  | <b>Total Investments in Securities</b> | <b>34,783,044</b> | <b>99.81</b>  |
|  | <b>Other Net Assets</b>                | <b>66,621</b>     | <b>0.19</b>   |
|  | <b>Total Net Assets</b>                | <b>34,849,665</b> | <b>100.00</b> |

# Legg Mason Global Equity Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 11.97         |
| Oil and gas producers                  | 10.96         |
| Pharmaceuticals                        | 7.38          |
| Telecommunication services             | 5.83          |
| Computers and peripherals              | 4.79          |
| Retail                                 | 4.29          |
| Insurance                              | 4.21          |
| Electrical utilities                   | 3.81          |
| Mining (non precious)                  | 3.75          |
| Aerospace and defence                  | 3.33          |
| Food services                          | 2.76          |
| Software                               | 2.64          |
| Oil and gas services                   | 2.61          |
| Tobacco                                | 2.46          |
| Miscellaneous machinery                | 2.39          |
| Chemicals                              | 2.06          |
| Broadcasting, radio and television     | 1.78          |
| Auto manufacturers                     | 1.45          |
| Engineering and construction           | 1.41          |
| Financial services                     | 1.40          |
| Distribution and wholesale             | 1.38          |
| Semiconductors                         | 1.35          |
| Telecommunication equipment            | 1.32          |
| Diversified companies                  | 1.30          |
| IT Consulting and services             | 1.11          |
| Cosmetics and personal care            | 1.09          |
| Electronic equipment                   | 1.05          |
| Home furnishings                       | 0.92          |
| Beverages                              | 0.91          |
| Healthcare services                    | 0.90          |
| Healthcare supplies and equipment      | 0.84          |
| Building materials                     | 0.62          |
| Biotechnology                          | 0.56          |
| Real estate                            | 0.56          |
| Real estate investment trust           | 0.55          |
| Employment services                    | 0.52          |
| Commercial services                    | 0.46          |
| Forest products and paper              | 0.46          |
| Packaging and containers               | 0.35          |
| Agriculture                            | 0.32          |
| Iron and steel                         | 0.29          |
| Electrical equipment                   | 0.28          |
| Household products                     | 0.26          |
| Leisure and entertainment              | 0.26          |
| Apparel                                | 0.25          |
| Advertising                            | 0.24          |
| Transportation                         | 0.22          |
| Food                                   | 0.16          |
| <b>Total Investments in Securities</b> | <b>99.81</b>  |
| <b>Other Net Assets</b>                | <b>0.19</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason US Growth and Value Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                          | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value  | Description           | Market Value      | %<br>NAV      |
|--|--------------------------------------|--------------|----------|--|-----------------------|-------------------|---------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |                                      |              |          | 7,200  | Walt Disney Company   | 201,168           | 1.18          |
|  |                                      |              |          | 20,260   | Wells Fargo & Company | 574,372           | 3.38          |
| <b>USD Equities</b>  |                                      |              |          |  |                       | 16,846,376        | 99.01         |
| 7,550  | Abbott Laboratories                  | 370,705      | 2.18     |  |                       |                   |               |
| 2,560  | Air Products & Chemicals Inc.        | 199,962      | 1.18     |  |                       |                   |               |
| 8,200  | American Express Company             | 278,718      | 1.64     |  |                       |                   |               |
| 3,410  | American Tower Corp.                 | 124,090      | 0.73     |  |                       |                   |               |
| 9,780  | AmerisourceBergen Corp.              | 214,964      | 1.26     |  |                       |                   |               |
| 2,450  | Apple Inc.                           | 454,181      | 2.67     |  |                       |                   |               |
| 13,385   | ASML Holding NV – Reg.               | 389,102      | 2.29     |  |                       |                   |               |
| 7,030  | Autodesk Inc.                        | 170,126      | 1.00     |  |                       |                   |               |
| 24,870   | Bank of America Corp.                | 426,769      | 2.51     |  |                       |                   |               |
| 2  | Berkshire Hathaway Inc.              | 203,100      | 1.19     |  |                       |                   |               |
| 12,740   | Bristol-Myers Squibb Company         | 291,491      | 1.71     |  |                       |                   |               |
| 3,730  | Celgene Corp.                        | 205,560      | 1.21     |  |                       |                   |               |
| 9,490  | Charles Schwab Corp. (The)           | 182,872      | 1.07     |  |                       |                   |               |
| 21,290   | Corning Inc.                         | 323,182      | 1.90     |  |                       |                   |               |
| 2,650  | Diamond Offshore Drilling            | 255,248      | 1.50     |  |                       |                   |               |
| 8,690  | Dolby Laboratories Inc. – A          | 330,481      | 1.94     |  |                       |                   |               |
| 2,590  | Eaton Corp.                          | 148,925      | 0.88     |  |                       |                   |               |
| 2,590  | Edwards Lifesciences Corp.           | 181,067      | 1.06     |  |                       |                   |               |
| 5,600  | Exelon Corp.                         | 280,560      | 1.65     |  |                       |                   |               |
| 6,060  | Exxon Mobil Corp.                    | 418,564      | 2.46     |  |                       |                   |               |
| 2,120  | First Solar Inc.                     | 322,346      | 1.89     |  |                       |                   |               |
| 680  | FPL Group Inc.                       | 37,495       | 0.22     |  |                       |                   |               |
| 1,210  | Freeport-McMoRan Copper & Gold Inc.  | 82,667       | 0.49     |  |                       |                   |               |
| 35,537   | General Electric Capital Corp.       | 593,823      | 3.50     |  |                       |                   |               |
| 4,210  | Genzyme Corp.                        | 239,760      | 1.41     |  |                       |                   |               |
| 9,300  | Halliburton Company                  | 253,983      | 1.49     |  |                       |                   |               |
| 5,570  | International Paper Company          | 126,829      | 0.75     |  |                       |                   |               |
| 4,980  | Johnson & Johnson                    | 303,431      | 1.78     |  |                       |                   |               |
| 12,828   | JPMorgan Chase & Company             | 575,721      | 3.38     |  |                       |                   |               |
| 11,020   | Juniper Networks Inc.                | 292,581      | 1.72     |  |                       |                   |               |
| 6,850  | Kellogg Company                      | 338,733      | 1.99     |  |                       |                   |               |
| 33,120   | Masco Corp.                          | 443,477      | 2.61     |  |                       |                   |               |
| 7,420  | McCormick & Company Inc.             | 252,651      | 1.48     |  |                       |                   |               |
| 22,479   | Microsoft Corp.                      | 578,834      | 3.41     |  |                       |                   |               |
| 1,880  | Monsanto Company                     | 145,192      | 0.85     |  |                       |                   |               |
| 5,840  | Moody's Corp.                        | 121,531      | 0.71     |  |                       |                   |               |
| 6,420  | National Oilwell Varco Inc           | 276,766      | 1.63     |  |                       |                   |               |
| 9,710  | Newell Rubbermaid Inc.               | 151,670      | 0.89     |  |                       |                   |               |
| 4,990  | Newfield Exploration Company         | 210,578      | 1.24     |  |                       |                   |               |
| 9,070  | Newmont Mining Corp.                 | 396,631      | 2.33     |  |                       |                   |               |
| 21,226   | News Corp. Limited – ADR             | 296,739      | 1.74     |  |                       |                   |               |
| 9,710  | Nokia OYJ – ADR                      | 142,834      | 0.84     |  |                       |                   |               |
| 4,910  | Norfolk Southern Corp.               | 215,303      | 1.27     |  |                       |                   |               |
| 8,160  | Novartis AG – ADR                    | 403,186      | 2.37     |  |                       |                   |               |
| 15,440   | Orbital Sciences Corp.               | 236,850      | 1.39     |  |                       |                   |               |
| 6,309  | Pepsico Inc.                         | 369,140      | 2.17     |  |                       |                   |               |
| 3,900  | Petroleo Brasileiro SA – ADR         | 177,411      | 1.04     |  |                       |                   |               |
| 7,863  | Philip Morris International Inc.     | 383,085      | 2.25     |  |                       |                   |               |
| 4,010  | Procter & Gamble Company             | 232,219      | 1.36     |  |                       |                   |               |
| 11,020   | Progressive Corp. (The)              | 184,475      | 1.08     |  |                       |                   |               |
| 7,010  | Qualcomm Inc.                        | 318,955      | 1.87     |  |                       |                   |               |
| 20,685   | Staples Inc.                         | 481,133      | 2.83     |  |                       |                   |               |
| 20,000   | Toll Brothers Inc.                   | 399,200      | 2.35     |  |                       |                   |               |
| 4,280  | Total SA – ADR                       | 253,119      | 1.49     |  |                       |                   |               |
| 1,560  | United Parcel Service Inc. / Georgia | 88,577       | 0.52     |  |                       |                   |               |
| 7,700  | Verizon Communications Inc.          | 232,232      | 1.36     |  |                       |                   |               |
| 1,730  | Visa Inc.                            | 120,356      | 0.71     |  |                       |                   |               |
| 6,940  | Wal-Mart Stores Inc.                 | 341,656      | 2.01     |  |                       |                   |               |
|  |                                      |              |          | <b>Total Equities</b>  |                       | <b>16,846,376</b> | <b>99.01</b>  |
|  |                                      |              |          | <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |                       | <b>16,846,376</b> | <b>99.01</b>  |
|  |                                      |              |          | <b>Total Investments in Securities</b>   |                       | <b>16,846,376</b> | <b>99.01</b>  |
|  |                                      |              |          | <b>Other Net Assets</b>  |                       | <b>169,239</b>    | <b>0.99</b>   |
|  |                                      |              |          | <b>Total Net Assets</b>  |                       | <b>17,015,615</b> | <b>100.00</b> |

# Legg Mason US Growth and Value Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 9.26          |
| Oil and gas producers                  | 7.72          |
| Pharmaceuticals                        | 7.52          |
| Telecommunication equipment            | 7.06          |
| Retail                                 | 4.84          |
| Software                               | 4.40          |
| Miscellaneous machinery                | 4.37          |
| Food services                          | 3.48          |
| Oil and gas services                   | 3.12          |
| Broadcasting, radio and television     | 2.93          |
| Healthcare supplies and equipment      | 2.85          |
| Financial services                     | 2.71          |
| Computers and peripherals              | 2.67          |
| Biotechnology                          | 2.62          |
| Building materials                     | 2.61          |
| Home builders                          | 2.35          |
| Precious metals                        | 2.33          |
| Semiconductors                         | 2.29          |
| Insurance                              | 2.28          |
| Tobacco                                | 2.25          |
| Beverages                              | 2.17          |
| Chemicals                              | 2.03          |
| Electronic equipment                   | 1.94          |
| Energy – alternate sources             | 1.89          |
| Electrical utilities                   | 1.87          |
| Transportation                         | 1.79          |
| Commercial services                    | 1.42          |
| Aerospace and defence                  | 1.39          |
| Cosmetics and personal care            | 1.36          |
| Telecommunication services             | 1.36          |
| Household products                     | 0.89          |
| Forest products and paper              | 0.75          |
| Mining (non precious)                  | 0.49          |
| <b>Total Investments in Securities</b> | <b>99.01</b>  |
| <b>Other Net Assets</b>                | <b>0.99</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason US Large Cap Growth Fund \*

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                            | Market<br>Value  | %<br>NAV      |
|--|--|------------------|---------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b>       |  |                  |               |
| <b>CHF Equities</b>  |  |                  |               |
| 1,524  | Roche Holding AG                       | 247,678          | 3.03          |
| <b>USD Equities</b>  |  |                  |               |
| 13,624   | Akamai Technologies Inc.               | 275,881          | 3.37          |
| 5,278  | Amazon.com Inc.                        | 484,110          | 5.93          |
| 4,576  | Amgen Inc.                             | 276,654          | 3.38          |
| 3  | Berkshire Hathaway Inc.                | 353,418          | 4.32          |
| 4,045  | Biogen Idec Inc.                       | 207,976          | 2.54          |
| 1,406  | Blackrock Inc. / NY                    | 301,056          | 3.68          |
| 4,684  | Celgene Corp.                          | 258,157          | 3.16          |
| 10,559   | Charles Schwab Corp. (The)             | 203,473          | 2.49          |
| 10,914   | Cisco Systems Inc.                     | 254,297          | 3.11          |
| 6,389  | Coca Cola Company                      | 340,598          | 4.17          |
| 5,708  | CVS/ Caremark Corp.                    | 205,873          | 2.52          |
| 9,153  | eBay Inc.                              | 218,483          | 2.67          |
| 1,302  | Edwards Lifesciences Corp.             | 90,995           | 1.11          |
| 8,475  | Electronic Arts Inc.                   | 162,213          | 1.98          |
| 1,058  | First Solar Inc.                       | 160,868          | 1.97          |
| 10,559   | General Electric Capital Corp.         | 176,442          | 2.16          |
| 613  | Google Inc.                            | 305,361          | 3.74          |
| 9,151  | Home Depot Inc.                        | 245,519          | 3.00          |
| 12,319   | Intel Corp.                            | 239,968          | 2.94          |
| 4,689  | Johnson & Johnson                      | 285,675          | 3.49          |
| 8,534  | Juniper Networks Inc.                  | 226,566          | 2.77          |
| 6,684  | Microsoft Corp.                        | 172,117          | 2.11          |
| 9,505  | Nasdaq Stock Market Inc. (The)         | 202,842          | 2.48          |
| 15,842   | Nvidia Corp.                           | 230,660          | 2.82          |
| 4,265  | Pepsico Inc.                           | 249,527          | 3.05          |
| 3,692  | Procter & Gamble Company               | 213,794          | 2.62          |
| 6,861  | Qualcomm Inc.                          | 312,172          | 3.82          |
| 12,099   | Red Hat Inc.                           | 335,637          | 4.11          |
| 3,278  | Sears Holdings Corp.                   | 215,718          | 2.64          |
| 5,809  | Vertex Pharmaceuticals Inc.            | 219,504          | 2.68          |
| 8,099  | Walt Disney Company                    | 226,272          | 2.77          |
| 8,074  | Yahoo! Inc.                            | 140,894          | 1.72          |
|  |  | 7,792,720        | 95.32         |
|  | <b>Total Equities</b>                  | <b>8,040,398</b> | <b>98.35</b>  |
| <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |  |                  |               |
|  |  | <b>8,040,398</b> | <b>98.35</b>  |
|  | <b>Total Investments in Securities</b> | <b>8,040,398</b> | <b>98.35</b>  |
|  | <b>Other Net Assets</b>                | <b>135,162</b>   | <b>1.65</b>   |
|  | <b>Total Net Assets</b>                | <b>8,175,560</b> | <b>100.00</b> |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason US Large Cap Growth Fund \*

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Internet software and services         | 17.42         |
| Biotechnology                          | 11.77         |
| Telecommunication equipment            | 9.70          |
| Financial services                     | 8.65          |
| Software                               | 8.19          |
| Retail                                 | 8.16          |
| Beverages                              | 7.22          |
| Semiconductors                         | 5.76          |
| Healthcare supplies and equipment      | 4.61          |
| Insurance                              | 4.32          |
| Pharmaceuticals                        | 3.03          |
| Broadcasting, radio and television     | 2.77          |
| Cosmetics and personal care            | 2.62          |
| Miscellaneous machinery                | 2.16          |
| Energy – alternate sources             | 1.97          |
| <b>Total Investments in Securities</b> | <b>98.35</b>  |
| <b>Other Net Assets</b>                | <b>1.65</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason US Aggressive Growth Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                                  | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value  | Description                        | Market Value      | %<br>NAV     |
|--|--|--------------|----------|--|------------------------------------|-------------------|--------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |  |              |          | 84,550   | Weatherford International Limited  | 1,787,387         | 7.06         |
|  |  |              |          | 950  | World Wrestling Entertainment Inc. | 13,329            | 0.05         |
|  |  |              |          |  |                                    | 24,983,040        | 98.69        |
|  |  |              |          |  | <b>Total Equities</b>              | <b>24,983,040</b> | <b>98.69</b> |
| <b>USD Equities</b>  |  |              |          | <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |                                    |                   |              |
| 5,470  | Advent Software Inc.                         | 221,863      | 0.88     | <b>24,983,040 98.69</b>  |                                    |                   |              |
| 6,810  | Alkermes Inc.                                | 64,355       | 0.25     |  |                                    |                   |              |
| 28,350   | Amgen Inc.                                   | 1,714,041    | 6.77     |  |                                    |                   |              |
| 40,610   | Anadarko Petroleum Corp.                     | 2,566,552    | 10.13    |  |                                    |                   |              |
| 1,815  | Arris Group Inc.                             | 22,833       | 0.09     |  |                                    |                   |              |
| 322  | Ascent Media Corp.                           | 8,050        | 0.03     |  |                                    |                   |              |
| 11,340   | Autodesk Inc.                                | 274,428      | 1.08     |  |                                    |                   |              |
| 5,355  | Bank of America Corp.                        | 91,892       | 0.36     |  |                                    |                   |              |
| 36,600   | Biogen Idec Inc.                             | 1,881,605    | 7.42     |  |                                    |                   |              |
| 14,505   | BioMimetic Therapeutics Inc.                 | 179,717      | 0.71     |  |                                    |                   |              |
| 28,590   | Broadcom Corp.                               | 849,981      | 3.36     |  |                                    |                   |              |
| 46,452   | Cablevision Systems Corp.                    | 1,112,989    | 4.40     |  |                                    |                   |              |
| 4,465  | CBS Corp.                                    | 55,411       | 0.22     |  |                                    |                   |              |
| 11,110   | Charming Shoppes                             | 54,883       | 0.22     |  |                                    |                   |              |
| 5,260  | Cohen & Steers Inc.                          | 125,977      | 0.50     |  |                                    |                   |              |
| 6,071  | Comcast Corp.                                | 105,514      | 0.42     |  |                                    |                   |              |
| 62,045   | Comcast Corp. – Special Class A              | 1,025,604    | 4.05     |  |                                    |                   |              |
| 5,980  | Core Laboratories NV                         | 614,086      | 2.43     |  |                                    |                   |              |
| 18,807   | Covidien PLC Cov Un                          | 806,256      | 3.19     |  |                                    |                   |              |
| 5,120  | Cree Inc.                                    | 188,262      | 0.74     |  |                                    |                   |              |
| 3,205  | Discovery Communications Inc.                | 82,272       | 0.33     |  |                                    |                   |              |
| 3,205  | Discovery Holding Company                    | 90,958       | 0.36     |  |                                    |                   |              |
| 1,720  | Dolby Laboratories Inc. – A                  | 65,412       | 0.26     |  |                                    |                   |              |
| 4,560  | DSP Group Inc.                               | 38,350       | 0.15     |  |                                    |                   |              |
| 770  | Fluor Corp Com Stk Npv                       | 39,316       | 0.16     |  |                                    |                   |              |
| 41,850   | Forest Laboratories Inc.                     | 1,243,363    | 4.91     |  |                                    |                   |              |
| 1,100  | Freeport-McMoRan Copper & Gold Inc.          | 75,152       | 0.30     |  |                                    |                   |              |
| 27,400   | Genzyme Corp.                                | 1,560,430    | 6.16     |  |                                    |                   |              |
| 18,690   | Intel Corp.                                  | 364,081      | 1.44     |  |                                    |                   |              |
| 2,590  | Isis Pharmaceuticals Inc.                    | 38,410       | 0.15     |  |                                    |                   |              |
| 10,760   | L-3 Communications Holdings Inc.             | 873,174      | 3.45     |  |                                    |                   |              |
| 20,700   | Liberty Entertainment                        | 639,837      | 2.53     |  |                                    |                   |              |
| 3,513  | Liberty Global Inc.                          | 80,588       | 0.32     |  |                                    |                   |              |
| 3,405  | Liberty Global Inc. – A                      | 78,792       | 0.31     |  |                                    |                   |              |
| 5,210  | Liberty Media Corp. – Capital                | 112,171      | 0.44     |  |                                    |                   |              |
| 23,740   | Liberty Media Corp. – Interactive            | 262,090      | 1.04     |  |                                    |                   |              |
| 11,963   | National Oilwell Varco Inc                   | 515,725      | 2.04     |  |                                    |                   |              |
| 19,530   | Nokia OYJ – ADR                              | 287,286      | 1.13     |  |                                    |                   |              |
| 1,860  | Nucor Corp.                                  | 87,048       | 0.34     |  |                                    |                   |              |
| 18,620   | Pall Corp.                                   | 613,529      | 2.42     |  |                                    |                   |              |
| 27,351   | Sandisk Corp.                                | 595,158      | 2.35     |  |                                    |                   |              |
| 24,834   | Seagate Technology                           | 376,483      | 1.49     |  |                                    |                   |              |
| 2,766  | Teva Pharmaceutical Industries Limited – ADR | 141,592      | 0.56     |  |                                    |                   |              |
| 24,877   | Tyco Electronics Limited                     | 549,284      | 2.17     |  |                                    |                   |              |
| 21,177   | Tyco International Limited                   | 723,195      | 2.86     |  |                                    |                   |              |
| 37,250   | UnitedHealth Group Inc.                      | 956,580      | 3.78     |  |                                    |                   |              |
| 8,410  | Valeant Pharmaceuticals International        | 230,181      | 0.91     |  |                                    |                   |              |
| 9,830  | Vertex Pharmaceuticals Inc.                  | 371,476      | 1.47     |  |                                    |                   |              |
| 4,465  | Viacom Inc.                                  | 126,092      | 0.50     |  |                                    |                   |              |
|  |  |              |          | <b>Total Investments in Securities 24,983,040 98.69</b>  |                                    |                   |              |
|  |  |              |          | <b>Other Net Assets 330,458 1.31</b>   |                                    |                   |              |
|  |  |              |          | <b>Total Net Assets 25,313,498 100.00</b>  |                                    |                   |              |

# Legg Mason US Aggressive Growth Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Biotechnology                          | 21.83         |
| Broadcasting, radio and television     | 13.91         |
| Oil and gas services                   | 11.51         |
| Oil and gas producers                  | 10.14         |
| Pharmaceuticals                        | 6.79          |
| Semiconductors                         | 5.69          |
| Miscellaneous machinery                | 5.28          |
| Healthcare supplies and equipment      | 3.90          |
| Computers and peripherals              | 3.84          |
| Healthcare services                    | 3.78          |
| Aerospace and defence                  | 3.45          |
| Electronic equipment                   | 2.43          |
| Software                               | 1.96          |
| Telecommunication equipment            | 1.23          |
| Internet software and services         | 1.04          |
| Financial services                     | 0.50          |
| Banks                                  | 0.36          |
| Iron and steel                         | 0.34          |
| Mining (non precious)                  | 0.30          |
| Retail                                 | 0.22          |
| Engineering and construction           | 0.16          |
| Other                                  | 0.03          |
| <b>Total Investments in Securities</b> | <b>98.69</b>  |
| <b>Other Net Assets</b>                | <b>1.31</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason US Fundamental Value Fund \*

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description   | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value  | Description                                       | Market Value | %<br>NAV |                   |               |
|--|---|--------------|----------|--|---|--------------|----------|-------------------|---------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |   |              |          | 13,510   | Tutor Perini Corp.                                | 281,684      | 0.47     |                   |               |
| <b>GBP Equities</b>  |   |              |          | 20,900   | Unilever PLC – ADR                                | 590,843      | 0.99     |                   |               |
| 22,530   | Unilever PLC  | 636,215      | 1.07     | 18,300   | United Parcel Service Inc. / Georgia              | 1,039,074    | 1.75     |                   |               |
| <b>USD Equities</b>  |   |              |          | 16,920   | United Technologies Corp.                         | 1,037,365    | 1.74     |                   |               |
| 11,090   | Allied World Assurance Holdings Limited/<br>Bermuda         | 540,527      | 0.91     | 4,170  | Varian Semiconductor Equipment Associates<br>Inc. | 135,650      | 0.23     |                   |               |
| 14,080   | Anadarko Petroleum Corp.                                    | 889,856      | 1.49     | 5,926  | Verigy Limited                                    | 68,564       | 0.12     |                   |               |
| 110,020  | Applied Materials Inc.                                      | 1,461,065    | 2.45     | 44,372   | Vodafone Group PLC – ADR                          | 1,001,920    | 1.68     |                   |               |
| 30,070   | AT&T Inc.   | 817,904      | 1.37     | 42,790   | Walt Disney Company                               | 1,195,553    | 2.01     |                   |               |
| 17,270   | Baker Hughes Inc.   | 743,128      | 1.25     | 32,190   | Weatherford International Limited                 | 680,497      | 1.14     |                   |               |
| 104,620  | Bank of America Corp.                                       | 1,795,278    | 3.03     | 17,360   | Weyerhaeuser Company                              | 648,917      | 1.09     |                   |               |
| 2,060  | BHP Billiton Limited – ADR                                  | 135,754      | 0.23     | 17,600   | Williams-Sonoma Inc.                              | 355,872      | 0.60     |                   |               |
| 12,030   | Boeing Company  | 657,079      | 1.10     | 26,820   | XTO Energy Inc.                                   | 1,122,417    | 1.89     |                   |               |
| 16,420   | Carnival Corp.  | 550,070      | 0.92     |  |   | 53,160,008   | 89.31    |                   |               |
| 24,370   | Chubb Corp.   | 1,239,214    | 2.08     | <b>Total Equities</b>  |   |              |          | <b>53,796,223</b> | <b>90.38</b>  |
| 64,040   | Cisco Systems Inc.  | 1,492,132    | 2.51     | <b>USD Funds</b>   |   |              |          |                   |               |
| 10,200   | Citrix Systems Inc.   | 392,394      | 0.66     | 12,260   | LaSalle Hotel Properties                          | 240,541      | 0.40     |                   |               |
| 10,160   | Comerica Inc.   | 302,971      | 0.51     | <b>Total Funds</b>   |   |              |          | <b>240,541</b>    | <b>0.40</b>   |
| 12,390   | ConocoPhillips  | 560,276      | 0.94     | <b>Total Transferable securities and money<br/>market instruments admitted to an official<br/>exchange listing</b> |   |              |          | <b>54,036,764</b> | <b>90.78</b>  |
| 17,000   | Devon Energy Corp.  | 1,150,389    | 1.93     | <b>Other transferable securities and money market instruments</b>  |   |              |          |                   |               |
| 13,230   | Dover Corp.   | 511,472      | 0.86     | <b>USD Equities</b>  |   |              |          |                   |               |
| 46,740   | EBay Inc.   | 1,115,684    | 1.87     | 60   | Teton Advisors Inc. <sup>(1)</sup>                | 0            | 0.00     |                   |               |
| 54,306   | Enzo Biochem Inc.   | 395,891      | 0.67     | <b>Total Equities</b>  |   |              |          | <b>0</b>          | <b>0.00</b>   |
| 9,620  | Fluor Corp Com Stk Npv                                      | 491,197      | 0.83     | <b>Total Other transferable securities and<br/>money market instruments</b>  |   |              |          | <b>0</b>          | <b>0.00</b>   |
| 14,830   | Franklin Resources Inc.                                     | 1,501,538    | 2.52     | <b>Total Investments in Securities</b>   |   |              |          | <b>54,036,764</b> | <b>90.78</b>  |
| 31,580   | Gap Inc.  | 677,391      | 1.14     | <b>Other Net Assets</b>  |   |              |          | <b>5,490,403</b>  | <b>9.22</b>   |
| 33,720   | Halliburton Company   | 920,893      | 1.55     | <b>Total Net Assets</b>  |   |              |          | <b>59,527,167</b> | <b>100.00</b> |
| 18,800   | Hess Corp.  | 1,009,560    | 1.70     |  |   |              |          |                   |               |
| 56,020   | Home Depot Inc.   | 1,503,017    | 2.52     |  |   |              |          |                   |               |
| 22,330   | Honeywell International Inc.                                | 831,792      | 1.40     |  |   |              |          |                   |               |
| 16,330   | Illinois Tool Works Inc.                                    | 703,660      | 1.18     |  |   |              |          |                   |               |
| 4,680  | Jacobs Engineering Group Inc.                               | 217,667      | 0.37     |  |   |              |          |                   |               |
| 15,290   | Johnson & Johnson   | 931,620      | 1.57     |  |   |              |          |                   |               |
| 14,280   | Jones Lang Lasalle Inc.                                     | 678,871      | 1.14     |  |   |              |          |                   |               |
| 47,170   | JPMorgan Chase & Company                                    | 2,116,989    | 3.56     |  |   |              |          |                   |               |
| 81,180   | Keycorp   | 531,729      | 0.89     |  |   |              |          |                   |               |
| 51,010   | Lawson Software Inc.  | 318,813      | 0.54     |  |   |              |          |                   |               |
| 7,740  | Lockheed Martin Corp.                                       | 611,847      | 1.03     |  |   |              |          |                   |               |
| 6,206  | Marriott International Inc.                                 | 169,238      | 0.28     |  |   |              |          |                   |               |
| 56,160   | McDermott International Inc.                                | 1,452,859    | 2.44     |  |   |              |          |                   |               |
| 42,480   | Merck & Company Inc.  | 1,352,988    | 2.27     |  |   |              |          |                   |               |
| 57,120   | Microsoft Corp.   | 1,470,840    | 2.47     |  |   |              |          |                   |               |
| 2,240  | Murphy Oil Corp.  | 130,144      | 0.22     |  |   |              |          |                   |               |
| 18,140   | Northrop Grumman Corp.                                      | 956,885      | 1.61     |  |   |              |          |                   |               |
| 25,680   | Novartis AG – ADR   | 1,268,849    | 2.13     |  |   |              |          |                   |               |
| 33,170   | Novellus Systems Inc.                                       | 691,926      | 1.16     |  |   |              |          |                   |               |
| 5,100  | Nucor Corp.   | 238,680      | 0.40     |  |   |              |          |                   |               |
| 11,170   | Paccar Inc.   | 424,125      | 0.71     |  |   |              |          |                   |               |
| 10,370   | Parker Hannifin Corp.                                       | 548,677      | 0.92     |  |   |              |          |                   |               |
| 5,330  | Robert Half International Inc.                              | 135,915      | 0.23     |  |   |              |          |                   |               |
| 79,750   | Safeway Inc.  | 1,579,848    | 2.65     |  |   |              |          |                   |               |
| 4,300  | Samsung Electronics Company Limited – GDR                   | 1,457,699    | 2.45     |  |   |              |          |                   |               |
| 16,940   | Schlumberger Limited  | 1,023,514    | 1.72     |  |   |              |          |                   |               |
| 25,000   | State Street Corp.  | 1,316,500    | 2.21     |  |   |              |          |                   |               |
| 82,933   | Taiwan Semiconductor Manufacturing<br>Company Limited – ADR | 894,847      | 1.50     |  |   |              |          |                   |               |
| 27,320   | Telefonaktiebolaget LM Ericsson – ADR                       | 275,932      | 0.46     |  |   |              |          |                   |               |
| 57,810   | Texas Instruments Inc.                                      | 1,361,426    | 2.29     |  |   |              |          |                   |               |
| 22,700   | Toll Brothers Inc.  | 453,092      | 0.76     |  |   |              |          |                   |               |

<sup>(1)</sup> Illiquid security

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason US Fundamental Value Fund \*

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 10.19         |
| Semiconductors                         | 10.19         |
| Oil and gas producers                  | 8.17          |
| Oil and gas services                   | 5.66          |
| Aerospace and defence                  | 5.48          |
| Food services                          | 4.72          |
| Pharmaceuticals                        | 4.40          |
| Miscellaneous machinery                | 4.36          |
| Retail                                 | 4.26          |
| Engineering and construction           | 4.10          |
| Software                               | 3.67          |
| Telecommunication services             | 3.06          |
| Insurance                              | 2.99          |
| Telecommunication equipment            | 2.97          |
| Financial services                     | 2.52          |
| Broadcasting, radio and television     | 2.01          |
| Internet software and services         | 1.87          |
| Transportation                         | 1.75          |
| Healthcare supplies and equipment      | 1.57          |
| Leisure and entertainment              | 1.21          |
| Real estate                            | 1.14          |
| Forest products and paper              | 1.09          |
| Home builders                          | 0.76          |
| Auto manufacturers                     | 0.71          |
| Biotechnology                          | 0.67          |
| Iron and steel                         | 0.40          |
| Real estate investment trust           | 0.40          |
| Employment services                    | 0.23          |
| Mining (non precious)                  | 0.23          |
| <b>Total Investments in Securities</b> | <b>90.78</b>  |
| <b>Other Net Assets</b>                | <b>9.22</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason Pan-Europe Equity Fund

(expressed in EUR)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                                    | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value | Description  | Market Value | %<br>NAV |
|--|--|--------------|----------|-------------------------------|--|--------------|----------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |  |              |          | 24,800                        | Koninklijke Ahold NV                                 | 204,352      | 0.27     |
| <b>CHF Equities</b>  |  |              |          | 6,578                         | Lafarge SA   | 402,442      | 0.54     |
| 36,743   | ABB Limited – Reg.                             | 506,985      | 0.68     | 77,188                        | Mediaset SpA   | 374,555      | 0.50     |
| 6,100  | Baloise Holding AG – Reg.                      | 397,643      | 0.53     | 36,525                        | Mediobanca SpA                                       | 342,790      | 0.46     |
| 26,241   | Credit Suisse Group – Reg.                     | 999,792      | 1.34     | 12,188                        | Metro AG   | 473,504      | 0.63     |
| 55,826   | Nestle SA – Reg.                               | 1,627,739    | 2.19     | 12,200                        | MTU Aero Engines Holding AG                          | 388,570      | 0.52     |
| 47,618   | Novartis AG – Reg.                             | 1,615,828    | 2.16     | 8,417                         | Muenchener Rueckversicherungs-Gesellschaft AG – Reg. | 910,634      | 1.22     |
| 10,025   | Roche Holding AG                               | 1,120,007    | 1.50     | 8,465                         | National Bank of Greece SA                           | 207,393      | 0.28     |
| 9,700  | Schindler Holding AG                           | 457,154      | 0.61     | 47,529                        | Nokia OYJ  | 484,321      | 0.65     |
| 1,533  | Swisscom AG – Reg.                             | 379,752      | 0.51     | 9,725                         | OMV AG   | 268,896      | 0.36     |
| 20,235   | UBS AG – Reg.                                  | 256,987      | 0.34     | 17,264                        | OPAP SA  | 300,394      | 0.40     |
| 4,833  | Zurich Financial Services AG – Reg.            | 777,796      | 1.04     | 51,868                        | Portugal Telecom SGPS SA – Reg.                      | 374,487      | 0.50     |
|  |  | 8,139,683    | 10.90    | 25,600                        | Prysmian SpA   | 333,568      | 0.45     |
| <b>DKK Equities</b>  |  |              |          | 15,053                        | Publicis Groupe                                      | 415,312      | 0.56     |
| 8,986  | Carlsberg A/S                                  | 438,214      | 0.59     | 7,824                         | Rheinmetall AG                                       | 311,239      | 0.42     |
| 6,300  | H Lundbeck A/S                                 | 90,137       | 0.12     | 51,625                        | Royal Dutch Shell PLC – A                            | 1,022,175    | 1.37     |
|  |  | 528,351      | 0.71     | 13,149                        | RWE AG   | 836,145      | 1.12     |
| <b>EUR Equities</b>  |  |              |          | 3,503                         | Salzgitter AG  | 234,316      | 0.31     |
| 61,492   | Aegon NV                                       | 353,087      | 0.47     | 25,000                        | Sampo OYJ  | 436,000      | 0.58     |
| 13,024   | Akzo Nobel NV                                  | 548,701      | 0.73     | 21,300                        | Sanofi-Aventis                                       | 1,073,094    | 1.44     |
| 9,970  | Allianz AG – Reg.                              | 835,785      | 1.12     | 20,684                        | SAP AG   | 686,088      | 0.92     |
| 34,577   | Alpha Bank                                     | 441,894      | 0.59     | 27,500                        | SCOR   | 509,988      | 0.68     |
| 33,499   | Atlantia SpA                                   | 557,758      | 0.75     | 16,912                        | Siemens AG – Reg.                                    | 1,096,067    | 1.46     |
| 35,301   | AXA SA   | 634,712      | 0.85     | 67,300                        | Snam Rete Gas SpA                                    | 223,436      | 0.30     |
| 105,113  | Banco Bilbao Vizcaya Argentaria                | 1,297,620    | 1.74     | 16,052                        | Societe Generale                                     | 905,172      | 1.21     |
| 147,385  | Banco Santander Central Hispano SA             | 1,641,869    | 2.20     | 5,315                         | Solvay SA  | 386,241      | 0.52     |
| 16,361   | BASF AG  | 590,142      | 0.79     | 28,435                        | STMicroelectronics NV                                | 183,491      | 0.25     |
| 5,187  | Bayer AG                                       | 253,333      | 0.34     | 7,953                         | Technip SA   | 346,313      | 0.46     |
| 17,746   | Bayerische Motoren Werke AG                    | 597,685      | 0.80     | 80,242                        | Telefonica SA  | 1,523,796    | 2.04     |
| 9,200  | Bilfinger Berger AG                            | 436,172      | 0.58     | 12,148                        | Thales SA  | 415,462      | 0.56     |
| 10,928   | BNP Paribas                                    | 632,731      | 0.85     | 21,033                        | ThyssenKrupp AG                                      | 496,379      | 0.66     |
| 13,277   | Bolsas y Mercados Espanoles                    | 360,736      | 0.48     | 32,593                        | Total SA   | 1,328,654    | 1.78     |
| 7,836  | Cap Gemini SA                                  | 280,725      | 0.38     | 10,027                        | UCB SA   | 299,156      | 0.40     |
| 5,482  | Casino Guichard Perrachon SA                   | 297,124      | 0.40     | 310,554                       | UniCredito Italiano SpA                              | 844,707      | 1.13     |
| 6,715  | CNP Assurances                                 | 477,437      | 0.64     | 19,081                        | Unilever NV  | 375,514      | 0.50     |
| 13,300   | Compagnie de Saint-Gobain                      | 467,695      | 0.63     | 26,000                        | UPM-Kymmene OYJ                                      | 215,800      | 0.29     |
| 6,653  | Compagnie Générale des Etablissements Michelin | 362,455      | 0.49     | 21,400                        | Valeo SA   | 381,134      | 0.51     |
| 21,552   | DCC PLC  | 376,082      | 0.50     | 11,300                        | Vinci SA   | 439,570      | 0.59     |
| 9,329  | Delhaize Group                                 | 444,154      | 0.59     | 30,253                        | Vivendi  | 639,094      | 0.86     |
| 10,399   | Deutsche Bank AG – Reg.                        | 558,478      | 0.75     | 22,800                        | Voestalpine AG                                       | 542,639      | 0.73     |
| 53,225   | Deutsche Telekom AG – Reg.                     | 502,976      | 0.67     | 5,732                         | Volkswagen AG – Pfd                                  | 447,383      | 0.60     |
| 34,770   | E.ON AG  | 1,016,327    | 1.36     |                               |  | 41,564,356   | 55.66    |
| 64,700   | Enel SpA                                       | 279,504      | 0.37     | <b>GBP Equities</b>           |  |              |          |
| 152,397  | Energias de Portugal SA                        | 473,193      | 0.63     | 21,825                        | Anglo American PLC                                   | 488,696      | 0.65     |
| 33,967   | ENI SpA  | 579,477      | 0.78     | 46,278                        | Associated British Foods PLC                         | 426,970      | 0.57     |
| 26,967   | European Aeronautic Defense & Space Company    | 404,235      | 0.54     | 31,902                        | AstraZeneca PLC                                      | 991,017      | 1.33     |
| 26,473   | France Telecom SA                              | 490,280      | 0.66     | 33,300                        | Atkins WS PLC  | 233,526      | 0.31     |
| 12,898   | Fresenius Medical Care AG                      | 437,371      | 0.59     | 83,305                        | Aviva PLC  | 393,605      | 0.53     |
| 26,254   | GDF Suez                                       | 793,396      | 1.06     | 268,554                       | Barclays Bank  | 1,086,582    | 1.45     |
| 14,616   | Hannover Rueckversicherung AG – Reg.           | 451,634      | 0.60     | 41,801                        | BG Group PLC   | 501,546      | 0.67     |
| 5,219  | HeidelbergCement AG                            | 229,636      | 0.31     | 50,649                        | BHP Billiton PLC                                     | 959,014      | 1.28     |
| 30,104   | Imtech NV                                      | 519,294      | 0.70     | 281,466                       | BP PLC   | 1,723,734    | 2.31     |
| 26,400   | Indra Sistemas SA                              | 451,308      | 0.60     | 25,021                        | British American Tobacco PLC                         | 544,221      | 0.73     |
| 29,491   | ING Groep NV                                   | 348,879      | 0.47     | 233,300                       | BT Group PLC   | 334,502      | 0.45     |
| 23,600   | Kerry Group PLC                                | 460,200      | 0.62     | 63,970                        | Bunzl PLC  | 444,752      | 0.60     |
|  |  |              |          | 47,800                        | Cable & Wireless PLC                                 | 75,161       | 0.10     |
|  |  |              |          | 69,713                        | Cobham PLC   | 164,998      | 0.22     |
|  |  |              |          | 60,126                        | Diageo PLC   | 636,758      | 0.85     |

# Legg Mason Pan-Europe Equity Fund

(expressed in EUR)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV      |
|-------------------------------|--|-------------------|---------------|
| 78,900                        | Drax Group PLC   | 408,065           | 0.55          |
| 23,017                        | Eurasian Natural Resources Corp.   | 217,656           | 0.29          |
| 88,694                        | GlaxoSmithKline PLC  | 1,208,024         | 1.62          |
| 202,300                       | Hays PLC   | 240,733           | 0.32          |
| 22,200                        | Hiscox Limited   | 84,507            | 0.11          |
| 83,728                        | Home Retail Group  | 256,885           | 0.34          |
| 244,835                       | HSBC Holdings PLC  | 1,947,156         | 2.60          |
| 88,189                        | ICAP PLC   | 411,656           | 0.55          |
| 91,058                        | IG Group Holdings PLC  | 325,271           | 0.44          |
| 64,964                        | IMI PLC  | 323,318           | 0.43          |
| 322,700                       | Legal & General Group PLC  | 292,602           | 0.39          |
| 121,570                       | Man Group PLC  | 410,420           | 0.55          |
| 86,437                        | Marks & Spencer Group PLC  | 354,985           | 0.48          |
| 68,796                        | National Grid PLC  | 453,052           | 0.61          |
| 16,574                        | Next PLC   | 335,977           | 0.45          |
| 470,283                       | Old Mutual PLC   | 515,311           | 0.69          |
| 14,500                        | Petrofac Limited   | 157,692           | 0.21          |
| 10,413                        | Reckitt Benckiser PLC  | 348,690           | 0.47          |
| 34,872                        | Rio Tinto PLC  | 1,020,422         | 1.37          |
| 35,979                        | Royal Dutch Shell PLC – B  | 691,889           | 0.93          |
| 16,739                        | Scottish & Southern Energy PLC   | 213,497           | 0.29          |
| 34,535                        | Standard Chartered PLC   | 580,869           | 0.78          |
| 45,523                        | Tate & Lyle PLC  | 209,553           | 0.28          |
| 45,667                        | Tesco PLC  | 198,356           | 0.27          |
| 23,700                        | Unilever PLC   | 460,174           | 0.62          |
| 829,343                       | Vodafone Group PLC   | 1,285,881         | 1.71          |
| 27,800                        | Wolseley PLC   | 442,305           | 0.59          |
| 39,181                        | Xstrata PLC  | 395,408           | 0.53          |
|                               |  | <b>22,795,436</b> | <b>30.52</b>  |
|                               | <b>NOK Equities</b>  |                   |               |
| 31,800                        | Acergy SA  | 271,138           | 0.36          |
| 24,500                        | Statoil ASA  | 375,840           | 0.50          |
|                               |  | <b>646,978</b>    | <b>0.86</b>   |
|                               | <b>SEK Equities</b>  |                   |               |
| 76,259                        | Securitas AB   | 512,966           | 0.69          |
|                               | <b>Total Equities</b>  | <b>74,187,770</b> | <b>99.34</b>  |
|                               | <b>EUR Warrants Equity</b>   |                   |               |
| 34,786                        | Mediobanca S.p.A. – Wt 11 <sup>(1)</sup>   | 7,959             | 0.01          |
|                               | <b>Total Warrants Equity</b>   | <b>7,959</b>      | <b>0.01</b>   |
|                               | <b>EUR Rights</b>  |                   |               |
| 5,219                         | Heidelbergcement AG – Right 07/Oct/09  | 17,171            | 0.02          |
|                               | <b>Total Rights</b>  | <b>17,171</b>     | <b>0.02</b>   |
|                               | <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> | <b>74,212,900</b> | <b>99.37</b>  |
|                               | <b>Total Investments in Securities</b>   | <b>74,212,900</b> | <b>99.37</b>  |
|                               | <b>Other Net Assets</b>  | <b>469,439</b>    | <b>0.63</b>   |
|                               | <b>Total Net Assets</b>  | <b>74,682,339</b> | <b>100.00</b> |

<sup>(1)</sup> Illiquid security

# Legg Mason Pan-Europe Equity Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 15.27         |
| Insurance                              | 9.92          |
| Oil and gas producers                  | 8.68          |
| Pharmaceuticals                        | 8.56          |
| Food services                          | 6.65          |
| Telecommunication services             | 6.65          |
| Electrical utilities                   | 4.93          |
| Mining (non precious)                  | 4.13          |
| Engineering and construction           | 2.55          |
| Oil and gas services                   | 2.40          |
| Chemicals                              | 2.38          |
| Financial services                     | 1.93          |
| Miscellaneous machinery                | 1.90          |
| Aerospace and defence                  | 1.84          |
| Iron and steel                         | 1.71          |
| Commercial services                    | 1.60          |
| Building materials                     | 1.49          |
| Beverages                              | 1.44          |
| Auto manufacturers                     | 1.40          |
| Broadcasting, radio and television     | 1.36          |
| Retail                                 | 1.27          |
| Machinery                              | 1.03          |
| Automobile parts and equipment         | 1.00          |
| IT Consulting and services             | 0.98          |
| Software                               | 0.92          |
| Transportation                         | 0.75          |
| Tobacco                                | 0.73          |
| Telecommunication equipment            | 0.65          |
| Distribution and wholesale             | 0.59          |
| Healthcare services                    | 0.59          |
| Advertising                            | 0.56          |
| Investment companies                   | 0.55          |
| Diversified companies                  | 0.50          |
| Household products                     | 0.47          |
| Electrical equipment                   | 0.45          |
| Leisure and entertainment              | 0.40          |
| Employment services                    | 0.32          |
| Forest products and paper              | 0.29          |
| Food                                   | 0.28          |
| Semiconductors                         | 0.25          |
| <b>Total Investments in Securities</b> | <b>99.37</b>  |
| <b>Other Net Assets</b>                | <b>0.63</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason Japan Equity Fund

(expressed in JPY)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                                     | Market Value         | %<br>NAV      |
|--|---|----------------------|---------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b>       |   |                      |               |
| <b>JPY Equities</b>  |   |                      |               |
| 20,000   | ABC-Mart Inc.                                   | 55,900,000           | 2.67          |
| 338,000  | Aozora Bank Limited                             | 43,940,000           | 2.10          |
| 6,500  | Canon Inc.                                      | 23,595,000           | 1.13          |
| 2,900  | Fast Retailing Company Limited                  | 32,944,000           | 1.57          |
| 136,000  | Furukawa Electric Company Limited               | 49,640,000           | 2.37          |
| 56,000   | GS Yuasa Corp.                                  | 45,920,000           | 2.20          |
| 693,500  | Haseko Corp.                                    | 61,028,000           | 2.92          |
| 82,000   | Hitachi Metals Limited                          | 75,358,000           | 3.60          |
| 438,000  | Isuzu Motors Limited                            | 83,220,000           | 3.98          |
| 97,300   | JTEKT Corp.                                     | 101,775,800          | 4.86          |
| 131,000  | Kanto Denka Kogyo Company Limited               | 89,866,000           | 4.30          |
| 283,000  | Mazda Motor Corp.                               | 56,883,000           | 2.72          |
| 36,500   | Mitsubishi Corp.                                | 66,284,000           | 3.17          |
| 23,000   | Mitsubishi Estate Company Limited               | 32,476,000           | 1.55          |
| 29,000   | Mitsui Fudosan Company Limited                  | 44,051,000           | 2.11          |
| 81,000   | Mitsui OSK Lines Limited                        | 43,092,000           | 2.06          |
| 13,000   | NGK Insulators Limited                          | 27,040,000           | 1.29          |
| 62,000   | Nikon Corp.                                     | 101,804,000          | 4.86          |
| 80,000   | Nippon Denko Company Limited                    | 50,080,000           | 2.39          |
| 35,000   | Nippon Electric Glass Company Limited           | 28,665,000           | 1.37          |
| 192,000  | Nippon Steel Corp.                              | 62,976,000           | 3.01          |
| 23,700   | Nitto Denko Corp.                               | 65,175,000           | 3.12          |
| 15,400   | Olympus Corp.                                   | 36,652,000           | 1.75          |
| 24,000   | Shiseido Company Limited                        | 37,560,000           | 1.80          |
| 11,400   | Sumitomo Mitsui Financial Group Inc.            | 35,682,000           | 1.71          |
| 41,422   | T&D Holdings Inc.                               | 100,655,460          | 4.80          |
| 31,800   | Takeuchi Manufacturing Company Limited          | 28,620,000           | 1.37          |
| 108,000  | Toho Zinc Company Limited                       | 46,548,000           | 2.23          |
| 119,000  | Tokyo Tatemono Company Limited                  | 52,241,000           | 2.50          |
| 169,000  | Toshiba Corp.                                   | 79,599,000           | 3.81          |
| 19,300   | Toyota Motor Corp.                              | 68,901,000           | 3.29          |
| 140,000  | Tsubakimoto Chain Company                       | 51,380,000           | 2.46          |
| 114  | Wacom Company Limited / Japan                   | 24,384,600           | 1.17          |
| 75,000   | Yaskawa Electric Corp.                          | 48,600,000           | 2.32          |
|  |   | 1,852,535,860        | 88.56         |
|  | <b>Total Equities</b>                           | <b>1,852,535,860</b> | <b>88.56</b>  |
| <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |   |                      |               |
|  |   | <b>1,852,535,860</b> | <b>88.56</b>  |
| <b>Undertakings for collective investments in transferable securities</b>                                  |   |                      |               |
| <b>JPY Funds</b>   |   |                      |               |
| 23,895   | Legg Mason Global Funds PLC – Japan Equity Fund | 182,046,807          | 8.70          |
|  | <b>Total Funds</b>                              | <b>182,046,807</b>   | <b>8.70</b>   |
| <b>Total Undertakings for collective investments in transferable securities</b>                            |   |                      |               |
|  |   | <b>182,046,807</b>   | <b>8.70</b>   |
| <b>Total Investments in Securities</b>   |   |                      |               |
|  |   | <b>2,034,582,667</b> | <b>97.26</b>  |
| <b>Other Net Assets</b>  |   |                      |               |
|  |   | <b>57,327,956</b>    | <b>2.74</b>   |
| <b>Total Net Assets</b>  |   |                      |               |
|  |   | <b>2,091,910,623</b> | <b>100.00</b> |

# Legg Mason Japan Equity Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Auto manufacturers                     | 9.98          |
| Electronic equipment                   | 9.95          |
| Open-ended funds                       | 8.70          |
| Chemicals                              | 7.41          |
| Miscellaneous machinery                | 6.62          |
| Iron and steel                         | 6.61          |
| Real estate                            | 6.16          |
| Automobile parts and equipment         | 4.87          |
| Insurance                              | 4.81          |
| Electrical equipment                   | 4.57          |
| Retail                                 | 4.25          |
| Machinery                              | 3.82          |
| Banks                                  | 3.81          |
| Distribution and wholesale             | 3.17          |
| Home builders                          | 2.92          |
| Mining (non precious)                  | 2.39          |
| Metal fabrication                      | 2.23          |
| Transportation                         | 2.06          |
| Cosmetics and personal care            | 1.80          |
| Business and office equipment          | 1.13          |
| <b>Total Investments in Securities</b> | <b>97.26</b>  |
| <b>Other Net Assets</b>                | <b>2.74</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason Asia Pacific (ex Japan) Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                            | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value  | Description  | Market Value      | %<br>NAV     |
|--|--|--------------|----------|--|--|-------------------|--------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |  |              |          | 39,095   | Shinhan Financial Group Company Limited            | 1,558,170         | 2.56         |
| <b>AUD Equities</b>  |  |              |          | 4,576  | SK Telecom Company Limited                         | 708,182           | 1.16         |
| 139,554  | Australia & New Zealand Bank Group     | 2,990,680    | 4.92     |  |  |                   |              |
| 86,291   | BHP Billiton Limited                   | 2,860,674    | 4.69     |  |  |                   |              |
| 280,066  | Coca-Cola Amatil Limited               | 2,414,045    | 3.96     |  |  |                   |              |
| 641,734  | Gunns Limited                          | 679,451      | 1.11     |  |  |                   |              |
| 920,438  | Macquarie Infrastructure Group         | 1,192,896    | 1.96     |  |  |                   |              |
| 130,576  | National Australia Bank Limited        | 3,529,113    | 5.79     |  |  |                   |              |
| 232,533  | Oil Search Limited                     | 1,317,833    | 2.16     |  |  |                   |              |
| 805,189  | Pacific Brands Limited                 | 848,975      | 1.39     |  |  |                   |              |
|  |  | 15,833,667   | 25.98    |  |  |                   |              |
| <b>HKD Equities</b>  |  |              |          |  |  |                   |              |
| 357,000  | Belle International Holdings Limited   | 366,206      | 0.60     |  |  |                   |              |
| 79,500   | Cheung Kong Holdings Limited           | 1,009,376    | 1.66     |  |  |                   |              |
| 2,181,000  | China Construction Bank                | 1,736,327    | 2.86     |  |  |                   |              |
| 454,000  | China Mengniu Dairy Company Limited    | 1,158,705    | 1.90     |  |  |                   |              |
| 124,000  | China Mobile Hong Kong Limited         | 1,207,979    | 1.98     |  |  |                   |              |
| 1,082,000  | China Petroleum & Chemical Corp.       | 917,241      | 1.50     |  |  |                   |              |
| 768,000  | China Railway Group Limited            | 659,973      | 1.08     |  |  |                   |              |
| 245,000  | China Resources Enterprise             | 706,536      | 1.16     |  |  |                   |              |
| 260,000  | China Shenhua Energy Company Limited   | 1,133,916    | 1.86     |  |  |                   |              |
| 152,000  | China Yurun Food Group Limited         | 328,314      | 0.54     |  |  |                   |              |
| 40,600   | Hang Seng Bank Limited                 | 585,154      | 0.96     |  |  |                   |              |
| 58,500   | HongKong Electric Holdings             | 319,669      | 0.52     |  |  |                   |              |
| 666,000  | Huaneng Power International Inc.       | 440,841      | 0.72     |  |  |                   |              |
| 67,000   | Hutchison Whampoa Limited              | 482,824      | 0.79     |  |  |                   |              |
| 1,684,000  | Industrial & Commercial Bank of China  | 1,268,953    | 2.09     |  |  |                   |              |
| 645,500  | KWG Property Holding Limited           | 417,277      | 0.68     |  |  |                   |              |
| 163,000  | Shanghai Industrial Holdings Limited   | 735,064      | 1.21     |  |  |                   |              |
| 648,000  | Shun TAK Holdings Limited              | 492,471      | 0.81     |  |  |                   |              |
| 70,000   | Sun Hung Kai Properties Limited        | 1,029,660    | 1.69     |  |  |                   |              |
| 437,000  | Want Want China Holdings Limited       | 257,685      | 0.42     |  |  |                   |              |
|  |  | 15,254,171   | 25.03    |  |  |                   |              |
| <b>IDR Equities</b>  |  |              |          |  |  |                   |              |
| 2,815,500  | Bumi Resources Tbk PT                  | 917,657      | 1.51     |  |  |                   |              |
| <b>INR Equities</b>  |  |              |          |  |  |                   |              |
| 54,142   | Bank of India                          | 461,901      | 0.76     |  |  |                   |              |
| 101,447  | Cairn India Limited                    | 557,360      | 0.91     |  |  |                   |              |
| 201,413  | Indian Bank                            | 670,268      | 1.10     |  |  |                   |              |
| 992  | Oil India Limited                      | 23,780       | 0.04     |  |  |                   |              |
| 28,252   | Reliance Industries Limited            | 1,301,273    | 2.13     |  |  |                   |              |
| 33,799   | Sterlite Industries India Limited      | 544,894      | 0.89     |  |  |                   |              |
| 15,155   | Sun Pharmaceuticals Industries Limited | 450,302      | 0.74     |  |  |                   |              |
| 59,650   | Tata Consultancy Services Limited      | 770,945      | 1.26     |  |  |                   |              |
|  |  | 4,780,723    | 7.83     |  |  |                   |              |
| <b>KRW Equities</b>  |  |              |          |  |  |                   |              |
| 5  | Hyundai Motor Company                  | 473          | 0.00     |  |  |                   |              |
| 12,779   | KB Financial Group Inc.                | 655,614      | 1.08     |  |  |                   |              |
| 5,110  | LG Display Company Limited             | 146,898      | 0.24     |  |  |                   |              |
| 5,251  | LG Electronics Inc.                    | 558,832      | 0.92     |  |  |                   |              |
| 3,336  | Posco                                  | 1,377,688    | 2.26     |  |  |                   |              |
| 4,405  | Samsung Electronics Company Limited    | 3,044,382    | 5.00     |  |  |                   |              |
|  |  |              |          | 547,849  | Telecom Corp. of New Zealand Limited               | 1,049,969         | 1.72         |
|  |  |              |          | <b>SGD Equities</b>  |  |                   |              |
|  |  |              |          | 1,229,000  | China Milk Products Group Limited                  | 434,383           | 0.71         |
|  |  |              |          | 60,000   | City Developments Limited                          | 433,464           | 0.71         |
|  |  |              |          | 1  | DBS Group Holdings Limited                         | 9                 | 0.00         |
|  |  |              |          | 556,000  | Singapore Telecommunications Limited               | 1,261,627         | 2.07         |
|  |  |              |          | 1  | Straits Asia Resources Limited                     | 1                 | 0.00         |
|  |  |              |          | 57,000   | United Overseas Bank Limited                       | 668,053           | 1.10         |
|  |  |              |          |  |  | 2,797,537         | 4.59         |
|  |  |              |          | <b>THB Equities</b>  |  |                   |              |
|  |  |              |          | 4,159,000  | Asian Property Development PCL – Foreign           | 799,857           | 1.31         |
|  |  |              |          | 130,400  | PTT PCL – Foreign                                  | 991,475           | 1.63         |
|  |  |              |          | 318,900  | Siam Commercial Bank PCL – Reg.                    | 808,235           | 1.33         |
|  |  |              |          |  |  | 2,599,567         | 4.27         |
|  |  |              |          | <b>TWD Equities</b>  |  |                   |              |
|  |  |              |          | 292,300  | Acer Inc.  | 745,256           | 1.22         |
|  |  |              |          | 846,371  | AU Optronics Corp.                                 | 822,382           | 1.35         |
|  |  |              |          | 325,882  | Chunghwa Telecom Company Limited                   | 586,680           | 0.96         |
|  |  |              |          | 60,060   | HTC Corp   | 659,208           | 1.08         |
|  |  |              |          | 210,232  | Taiwan Semiconductor Manufacturing Company Limited | 421,620           | 0.69         |
|  |  |              |          | 806,589  | Uni-President Enterprises Company                  | 949,250           | 1.56         |
|  |  |              |          | 1,743,000  | United Microelectronics Corp.                      | 853,573           | 1.40         |
|  |  |              |          |  |  | 5,037,969         | 8.26         |
|  |  |              |          | <b>USD Equities</b>  |  |                   |              |
|  |  |              |          | 62,000   | Inotera Memories Inc. – GDR – Reg.                 | 398,040           | 0.65         |
|  |  |              |          | <b>Total Equities</b>  |  | <b>57,627,734</b> | <b>94.55</b> |
|  |  |              |          | <b>SGD Funds</b>   |  |                   |              |
|  |  |              |          | 856,000  | Suntec Real Estate Investment Trust                | 635,352           | 1.04         |
|  |  |              |          | <b>Total Funds</b>   |  | <b>635,352</b>    | <b>1.04</b>  |
|  |  |              |          | <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |  |                   |              |
|  |  |              |          |  |  | <b>58,263,086</b> | <b>95.59</b> |

# Legg Mason Asia Pacific (ex Japan) Fund

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value  | Description                       | Market Value      | %<br>NAV      |
|--|-----------------------------------|-------------------|---------------|
| <b>Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities</b>       |                                   |                   |               |
| <b>USD Equities</b>  |                                   |                   |               |
| 1  | State Bank of India Limited – GDR | 88                | 0.00          |
| <b>Total Equities</b>  |                                   | <b>88</b>         | <b>0.00</b>   |
| <b>Total Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities</b> |                                   |                   |               |
|  |                                   | <b>88</b>         | <b>0.00</b>   |
| <b>Total Investments in Securities</b>   |                                   | <b>58,263,174</b> | <b>95.59</b>  |
| <b>Other Net Assets</b>  |                                   | <b>2,691,106</b>  | <b>4.41</b>   |
| <b>Total Net Assets</b>  |                                   | <b>60,954,280</b> | <b>100.00</b> |

# Legg Mason Asia Pacific (ex Japan) Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 20.88         |
| Mining (non precious)                  | 8.96          |
| Oil and gas producers                  | 8.38          |
| Telecommunication services             | 7.90          |
| Semiconductors                         | 7.74          |
| Real estate                            | 4.84          |
| Beverages                              | 3.96          |
| Financial services                     | 3.63          |
| Diversified companies                  | 3.16          |
| Food                                   | 2.61          |
| Food services                          | 2.52          |
| Computers and peripherals              | 2.30          |
| Iron and steel                         | 2.26          |
| Transportation                         | 1.96          |
| Electrical utilities                   | 1.87          |
| Electronic equipment                   | 1.59          |
| Leisure and entertainment              | 1.58          |
| Household products                     | 1.39          |
| Home builders                          | 1.31          |
| IT Consulting and services             | 1.26          |
| Forest products and paper              | 1.11          |
| Engineering and construction           | 1.08          |
| Real estate investment trust           | 1.04          |
| Electrical equipment                   | 0.92          |
| Pharmaceuticals                        | 0.74          |
| Retail                                 | 0.60          |
| <b>Total Investments in Securities</b> | <b>95.59</b>  |
| <b>Other Net Assets</b>                | <b>4.41</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason China Equity Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description   | Market<br>Value  | %<br>NAV     | Quantity/<br>Nominal<br>Value                              | Description                                  | Market<br>Value  | %<br>NAV      |
|--|---|------------------|--------------|--|--|------------------|---------------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b>       |   |                  |              | <b>Other undertakings for collective investments</b>       |  |                  |               |
| <b>HKD Equities</b>  |   |                  |              | <b>HKD Funds</b>   |  |                  |               |
| 10,000   | Angang Steel Company Limited                            | 18,735           | 0.60         | 25,700   | iShares Asla Trust – iShares FTSE/Xinhua A50 |                  |               |
| 2,000  | Anhui Conch Cement Company Limited                      | 13,432           | 0.43         |  | China Tracker                                | 44,502           | 1.42          |
| 287,000  | Bank of China Limited                                   | 151,089          | 4.81         | <b>Total Funds</b>   |  |                  |               |
| 18,500   | BBMG Corp.  | 18,356           | 0.58         |  |  | <b>44,502</b>    | <b>1.42</b>   |
| 6,000  | Beijing Enterprises Holdings Limited                    | 31,935           | 1.02         | <b>Total Other undertakings for collective investments</b> |  |                  |               |
| 84,000   | Belle International Holdings Limited                    | 86,166           | 2.74         |  |  | <b>44,502</b>    | <b>1.42</b>   |
| 305,000  | China Construction Bank                                 | 242,815          | 7.71         | <b>Total Investments in Securities</b>                     |  |                  |               |
| 16,000   | China COSCO Holdings                                    | 19,179           | 0.61         |  |  | <b>3,121,812</b> | <b>99.31</b>  |
| 43,000   | China Life Insurance Company Limited                    | 187,255          | 5.96         | <b>Other Net Assets</b>                                    |  |                  |               |
| 27,950   | China Merchants Bank Company Limited                    | 62,174           | 1.98         |  |  | <b>21,571</b>    | <b>0.69</b>   |
| 12,000   | China Merchants Holdings International Company Limited  | 39,716           | 1.26         | <b>Total Net Assets</b>                                    |  |                  |               |
| 22,500   | China Mobile Hong Kong Limited                          | 219,190          | 6.97         |  |  | <b>3,143,383</b> | <b>100.00</b> |
| 26,000   | China National Building Material Company Limited        | 61,258           | 1.95         |  |  |                  |               |
| 43,760   | China Overseas Land & Investment Limited                | 94,520           | 3.01         |  |  |                  |               |
| 130,000  | China Petroleum & Chemical Corp.                        | 110,205          | 3.51         |  |  |                  |               |
| 20,500   | China Railway Construction Corp.                        | 27,245           | 0.87         |  |  |                  |               |
| 10,000   | China Resources Enterprise                              | 28,838           | 0.92         |  |  |                  |               |
| 30,000   | China Resources Land Limited                            | 65,728           | 2.09         |  |  |                  |               |
| 20,400   | China Resources Power Holdings Company                  | 47,432           | 1.51         |  |  |                  |               |
| 91,000   | China Shanshui Cement Group                             | 67,868           | 2.16         |  |  |                  |               |
| 30,500   | China Shenhua Energy Company Limited                    | 133,017          | 4.23         |  |  |                  |               |
| 114,000  | China Southern Airlines Company Limited                 | 36,038           | 1.15         |  |  |                  |               |
| 57,475   | China State Construction International Holdings Limited | 22,470           | 0.71         |  |  |                  |               |
| 80,000   | China Telecom Corp. Limited                             | 37,883           | 1.21         |  |  |                  |               |
| 38,000   | China Unicom Limited                                    | 53,640           | 1.71         |  |  |                  |               |
| 98,000   | Cnooc Limited   | 131,507          | 4.18         |  |  |                  |               |
| 96,000   | Denway Motors Limited                                   | 42,982           | 1.37         |  |  |                  |               |
| 24,000   | Dongfeng Motor Group Company Limited                    | 25,548           | 0.81         |  |  |                  |               |
| 38,000   | Guangzhou R&F Properties Company Limited                | 66,487           | 2.12         |  |  |                  |               |
| 3,000  | Hengan International Group Company Limited              | 18,193           | 0.58         |  |  |                  |               |
| 35,000   | Huabao International Holdings Limited                   | 37,574           | 1.20         |  |  |                  |               |
| 325,000  | Industrial & Commercial Bank of China                   | 244,897          | 7.78         |  |  |                  |               |
| 12,000   | Jiangxi Copper Company Limited                          | 26,849           | 0.85         |  |  |                  |               |
| 6,500  | Orient Overseas International Limited                   | 33,338           | 1.06         |  |  |                  |               |
| 150,000  | PetroChina Company Limited                              | 169,352          | 5.39         |  |  |                  |               |
| 7,000  | Ping An Insurance Group Company of China Limited        | 55,367           | 1.76         |  |  |                  |               |
| 24,500   | Shimao Property Holdings Limited                        | 41,602           | 1.32         |  |  |                  |               |
| 21,500   | Sino-Ocean Land Holdings Limited                        | 19,585           | 0.62         |  |  |                  |               |
| 800  | Sinopharm Group Company                                 | 2,029            | 0.06         |  |  |                  |               |
| 9,200  | Tencent Holdings Limited                                | 149,572          | 4.76         |  |  |                  |               |
| 27,000   | Vinda International Holdings                            | 17,106           | 0.54         |  |  |                  |               |
| 24,000   | Yanzhou Coal Mining Company Limited                     | 34,436           | 1.10         |  |  |                  |               |
| 26,000   | Zijin Mining Group Company Limited                      | 25,530           | 0.81         |  |  |                  |               |
| 11,240   | ZTE Corp.   | 59,172           | 1.88         |  |  |                  |               |
|  |   | 3,077,310        | 97.89        |  |  |                  |               |
| <b>Total Equities</b>  |   | <b>3,077,310</b> | <b>97.89</b> |  |  |                  |               |
| <b>Total Transferable securities and money market instruments admitted to an official exchange listing</b> |   | <b>3,077,310</b> | <b>97.89</b> |  |  |                  |               |

# Legg Mason China Equity Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 22.29         |
| Oil and gas producers                  | 13.08         |
| Telecommunication services             | 9.88          |
| Real estate                            | 9.16          |
| Insurance                              | 7.72          |
| Mining (non precious)                  | 5.33          |
| Building materials                     | 5.12          |
| Internet software and services         | 4.76          |
| Transportation                         | 2.82          |
| Retail                                 | 2.74          |
| Auto manufacturers                     | 2.18          |
| Diversified companies                  | 2.18          |
| Telecommunication equipment            | 1.88          |
| Engineering and construction           | 1.58          |
| Electrical utilities                   | 1.51          |
| Open-ended funds                       | 1.42          |
| Chemicals                              | 1.20          |
| Oil and gas services                   | 1.02          |
| Metal fabrication                      | 0.85          |
| Precious metals                        | 0.81          |
| Iron and steel                         | 0.60          |
| Healthcare supplies and equipment      | 0.58          |
| Cosmetics and personal care            | 0.54          |
| Other                                  | 0.06          |
| <b>Total Investments in Securities</b> | <b>99.31</b>  |
| <b>Other Net Assets</b>                | <b>0.69</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

# Legg Mason Emerging Markets Equity Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description                                  | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value                      | Description                              | Market Value | %<br>NAV |
|--|--|--------------|----------|--|--|--------------|----------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |  |              |          | 1,546,000  | Indocement Tunggal Prakarsa Tbk PT       | 1,687,627    | 0.18     |
| <b>USD Structured notes</b>  |  |              |          | 3,300,000  | International Nickel Indonesia Tbk PT    | 1,417,022    | 0.15     |
| 1,400,000  | Morgan Stanley BV 14/Jun/2010 <sup>(1)</sup> | 7,250,600    | 0.77     | 3,386,500  | PT Astra International Tbk               | 11,598,279   | 1.23     |
| <b>Total Structured notes</b>  |  |              |          | 10,647,500   | Telekomunikasi Indonesia Tbk PT          | 9,474,593    | 1.00     |
|  |  |              |          |  |  |              |          |
|  |  |              |          | <b>ILS Equities</b>                                |  |              |          |
|  |  |              |          | 2,535,261  | Bank Hapoalim Limited                    | 9,331,665    | 0.99     |
| <b>BRL Equities</b>  |  |              |          | <b>INR Equities</b>                                |  |              |          |
| 956,626  | Acucar Guarani SA                            | 3,110,893    | 0.33     | 337,772  | Axis Bank Limited                        | 6,734,392    | 0.71     |
| 227,200  | Amil Participacoes SA                        | 1,193,318    | 0.13     | 786,581  | Bank of India                            | 6,710,543    | 0.71     |
| 768,600  | Banco Indusval SA                            | 4,036,901    | 0.43     | 1,737,181  | Cairn India Limited                      | 9,544,250    | 1.01     |
| 621,400  | Banco Panamericano SA                        | 2,444,352    | 0.26     | 1,623,252  | Indian Bank                              | 5,401,901    | 0.57     |
| 1,035,100  | Cyrela Brazil Realty SA                      | 13,360,238   | 1.41     | 34,044   | Infosys Technologies Limited             | 1,650,554    | 0.17     |
| 1,220,500  | JBS SA                                       | 6,274,014    | 0.66     | 372,700  | IVRCL Infrastructures & Projects Limited | 3,056,866    | 0.32     |
| 578,000  | Klabin SA                                    | 1,356,429    | 0.14     | 124,448  | Jammu & Kashmir Bank Limited             | 1,512,013    | 0.16     |
| 371,700  | Log-in Logistica Intermodal SA               | 1,856,734    | 0.20     | 14,097   | Oil India Limited                        | 337,937      | 0.04     |
| 421,300  | Lojas Renner SA                              | 7,259,817    | 0.77     | 306,101  | Reliance Industries Limited              | 14,098,860   | 1.49     |
| 213,630  | Perdigao SA                                  | 5,625,739    | 0.60     | 642,361  | Sterlite Industries India Limited        | 10,355,894   | 1.10     |
| 1,137,092  | Petrol Brasileiros Pref Npv – Pfd            | 22,091,244   | 2.34     | 223,180  | Sun Pharmaceuticals Industries Limited   | 6,631,372    | 0.70     |
| 239,845  | Rodobens Negocios Imobiliarios SA            | 2,416,274    | 0.26     | 846,765  | Tata Consultancy Services Limited        | 10,943,990   | 1.16     |
| 426,211  | Tam SA – Pfd                                 | 5,539,292    | 0.59     |  |  |              |          |
| 200,300  | Tegma Gestao Logistica                       | 1,344,138    | 0.14     | <b>KRW Equities</b>                                |  |              |          |
|  |  |              |          | 284,030 Dongbu Corp.                               |  |              |          |
|  |  |              |          | 181,668 KB Financial Group Inc.                    |  |              |          |
|  |  |              |          | 218,420 LG Display Company Limited                 |  |              |          |
|  |  |              |          | 91,826 LG Electronics Inc.                         |  |              |          |
|  |  |              |          | 15,814 LG Innotek Company Limited                  |  |              |          |
|  |  |              |          | 5,664 Orion Corp.                                  |  |              |          |
|  |  |              |          | 30,241 Posco                                       |  |              |          |
|  |  |              |          | 55,564 Samsung Electronics Company Limited         |  |              |          |
|  |  |              |          | 490,653 Shinhan Financial Group Company Limited    |  |              |          |
|  |  |              |          | 36,204 SK Telecom Company Limited                  |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | 106,251,428 11.23                                  |  |              |          |
|  |  |              |          | <b>MXN Equities</b>                                |  |              |          |
|  |  |              |          | 695,800 Gruma SA                                   |  |              |          |
|  |  |              |          | 4,099,756 Grupo Financiero Banorte SA de CV        |  |              |          |
|  |  |              |          | 4,472,552 Urbi Desarrollos Urbanos SA de CV        |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | 23,517,586 2.48                                    |  |              |          |
|  |  |              |          | <b>MYR Equities</b>                                |  |              |          |
|  |  |              |          | 4,254,500 Genting BHD                              |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | <b>SGD Equities</b>                                |  |              |          |
|  |  |              |          | 9,929,500 China Hongxing Sports Limited            |  |              |          |
|  |  |              |          | 6,541,000 China Milk Products Group Limited        |  |              |          |
|  |  |              |          | 1,928,000 Straits Asia Resources Limited           |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | 6,731,753 0.70                                     |  |              |          |
|  |  |              |          | <b>THB Equities</b>                                |  |              |          |
|  |  |              |          | 21,209,700 Asian Property Development PCL – NVDR   |  |              |          |
|  |  |              |          | 7,291,400 Asian Property Development PCL – Foreign |  |              |          |
|  |  |              |          | 1,014,000 Bumrungrad Hospital PCL                  |  |              |          |
|  |  |              |          | 19,677,900 Italian-Thai Development PCL – Foreign  |  |              |          |
|  |  |              |          | 15,058,900 Italian-Thai Development PCL – NVDR     |  |              |          |
|  |  |              |          | 3,984,500 Kasikornbank PCL – NVDR                  |  |              |          |
|  |  |              |          | 630,060 Kasikornbank PCL – Foreign                 |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | 4,110,663 0.44                                     |  |              |          |
|  |  |              |          | 1,402,280 0.15                                     |  |              |          |
|  |  |              |          | 755,861 0.08                                       |  |              |          |
|  |  |              |          | 2,147,454 0.23                                     |  |              |          |
|  |  |              |          | 1,661,342 0.18                                     |  |              |          |
|  |  |              |          | 9,742,079 1.03                                     |  |              |          |
|  |  |              |          | 1,676,695 0.18                                     |  |              |          |
|  |  |              |          |  |  |              |          |
|  |  |              |          | 156,549,222 16.58                                  |  |              |          |
|  |  |              |          | <b>IDR Equities</b>                                |  |              |          |
| 21,584,000   | Bumi Resources Tbk PT                        | 7,034,884    | 0.74     |  |  |              |          |
| 926,500  | Indo Tambangraya Megah PT                    | 2,315,139    | 0.25     |  |  |              |          |

# Legg Mason Emerging Markets Equity Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description   | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value | Description  | Market Value       | %<br>NAV      |
|-------------------------------|---|--------------|----------|-------------------------------|--|--------------------|---------------|
| 28,442,600                    | Land & Houses PCL                                     | 5,470,071    | 0.58     | 42,352                        | Vozrozhdenie Bank  | 1,694,080          | 0.18          |
| 8,789,100                     | LPN Development PCL – Foreign                         | 1,886,865    | 0.20     | 232,918                       | WSP Holdings Limited – ADR   | 1,083,069          | 0.11          |
| 2,410,900                     | LPN Development PCL – NVDR                            | 521,172      | 0.06     |                               |  | 206,465,619        | 21.86         |
| 1,360,000                     | Phatra Securities PCL                                 | 746,141      | 0.08     |                               |  |                    |               |
| 1,290,600                     | PTT PCL – Foreign                                     | 9,812,864    | 1.04     |                               |  |                    |               |
| 3,942,300                     | Siam Commercial Bank PCL – Reg.                       | 9,991,543    | 1.06     |                               |  |                    |               |
| 6                             | Thai Oil PCL – Foreign                                | 8            | 0.00     |                               |  |                    |               |
|                               |   | 49,925,038   | 5.31     |                               |  |                    |               |
|                               | <b>TRY Equities</b>                                   |              |          |                               | <b>ZAR Equities</b>  |                    |               |
| 1,167,834                     | Turkcell Iletisim Hizmet AS                           | 8,294,997    | 0.88     | 256,963                       | ABSA Group Limited   | 4,177,577          | 0.44          |
| 2,607,827                     | Turkiye Garanti Bankasi AS                            | 10,135,286   | 1.07     | 356,884                       | African Bank Investments Limited   | 1,431,299          | 0.15          |
| 2,503,652                     | Turkiye Is Bankasi                                    | 9,898,177    | 1.05     | 229,313                       | AngloGold Ashanti Limited  | 9,104,114          | 0.96          |
| 1,690,000                     | Turkiye Sinai Kalkinma Bankasi AS                     | 1,630,716    | 0.17     | 1,598,027                     | Aveng Limited  | 9,656,448          | 1.02          |
|                               |   | 29,959,176   | 3.17     | 506,731                       | Impala Platinum Holdings Limited   | 12,275,437         | 1.30          |
|                               |   |              |          | 890,444                       | MTN Group Limited  | 14,775,993         | 1.57          |
|                               |   |              |          | 959,971                       | Murray & Roberts Holdings Limited  | 7,875,716          | 0.83          |
|                               |   |              |          | 981,451                       | Standard Bank Group Limited  | 12,779,286         | 1.35          |
|                               |   |              |          |                               |  | 72,075,870         | 7.62          |
|                               |   |              |          |                               | <b>Total Equities</b>  | <b>936,916,993</b> | <b>99.16</b>  |
|                               | <b>TWD Equities</b>                                   |              |          |                               | <b>SGD Funds</b>   |                    |               |
| 4,639,240                     | Acer Inc.   | 11,828,327   | 1.25     | 6,260,000                     | Ascendas India Trust   | 3,805,608          | 0.40          |
| 2,103,667                     | Asia Cement Corp.                                     | 2,354,735    | 0.25     |                               |  | 3,805,608          | 0.40          |
| 8,191,640                     | AU Optronics Corp.                                    | 7,959,459    | 0.84     |                               | <b>Total Funds</b>   | <b>3,805,608</b>   | <b>0.40</b>   |
| 771,408                       | Chunghwa Telecom Company Limited                      | 1,388,754    | 0.15     |                               |  |                    |               |
| 546,190                       | HTC Corp  | 5,994,888    | 0.63     |                               | <b>Total Transferable securities and money<br/>market instruments admitted to an official<br/>exchange listing</b> | <b>947,973,201</b> | <b>100.33</b> |
| 1,612,380                     | Powertech Technology Inc.                             | 4,842,918    | 0.51     |                               |  |                    |               |
| 2,320,000                     | Ruentex Development Company Limited                   | 2,225,388    | 0.24     |                               | <b>Other transferable securities and money market instruments</b>  |                    |               |
| 6,591,251                     | Taiwan Semiconductor Manufacturing<br>Company Limited | 13,218,744   | 1.39     |                               | <b>USD Equities</b>  |                    |               |
| 584,611                       | Tripod Technology Corp.                               | 1,497,810    | 0.16     | 36,304                        | Protech Oilfield Services BV <sup>(1) (2)</sup>  | 0                  | 0.00          |
| 2,936,623                     | Uni-President Enterprises Company                     | 3,456,024    | 0.37     |                               | <b>Total Equities</b>  | <b>0</b>           | <b>0.00</b>   |
| 23,673,000                    | United Microelectronics Corp.                         | 11,593,017   | 1.23     |                               | <b>Total Other transferable securities and<br/>money market instruments</b>  | <b>0</b>           | <b>0.00</b>   |
|                               |   | 66,360,064   | 7.02     |                               | <b>Total Investments in Securities</b>   | <b>947,973,201</b> | <b>100.33</b> |
|                               | <b>USD Equities</b>                                   |              |          |                               | <b>Other Net Liabilities</b>   | <b>(3,138,939)</b> | <b>(0.33)</b> |
| 461,100                       | America Movil SA de CV – ADR                          | 20,237,678   | 2.14     |                               | <b>Total Net Assets</b>  | <b>944,834,262</b> | <b>100.00</b> |
| 231,647                       | AU Optronics Corp. – ADR                              | 2,265,508    | 0.24     |                               |  |                    |               |
| 1,320,242                     | Banco Itau Holding Financeira SA – ADR                | 25,955,957   | 2.76     |                               |  |                    |               |
| 970,152                       | Cemex SAB de CV – ADR                                 | 12,621,678   | 1.34     |                               |  |                    |               |
| 1                             | Companhia Paranaense de Energia – ADR                 | 17           | 0.00     |                               |  |                    |               |
| 1,508,100                     | Companhia Vale do Rio Doce – ADR                      | 30,780,320   | 3.27     |                               |  |                    |               |
| 276,936                       | Gammon Gold Inc.                                      | 2,209,949    | 0.23     |                               |  |                    |               |
| 44,450                        | Gazprom Neft – ADR                                    | 927,227      | 0.10     |                               |  |                    |               |
| 978,350                       | Gazprom OAO – ADR – Reg.                              | 23,372,783   | 2.46     |                               |  |                    |               |
| 660,900                       | Gerdau SA – ADR                                       | 8,763,534    | 0.93     |                               |  |                    |               |
| 282,600                       | Gol Linhas Aereas Inteligentes SA – ADR               | 2,885,346    | 0.31     |                               |  |                    |               |
| 843,000                       | Inotera Memories Inc. – GDR – Reg.                    | 5,412,060    | 0.57     |                               |  |                    |               |
| 215,457                       | Lukoil – ADR  | 11,807,043   | 1.25     |                               |  |                    |               |
| 803,300                       | Magnitogorsk Iron & Steel Works – GDR                 | 7,189,535    | 0.76     |                               |  |                    |               |
| 93,521                        | Mobile Telesystems – ADR                              | 4,601,233    | 0.49     |                               |  |                    |               |
| 17,716                        | Petroleo Brasileiro SA – ADR                          | 688,975      | 0.07     |                               |  |                    |               |
| 301,176                       | PIK Group – GDR                                       | 1,084,234    | 0.11     |                               |  |                    |               |
| 733,202                       | Raspadskaya   | 2,749,698    | 0.29     |                               |  |                    |               |
| 1,375,804                     | Rosneft Oil Company – GDR                             | 10,456,110   | 1.11     |                               |  |                    |               |
| 5,283,032                     | Sberbank RF   | 10,671,725   | 1.13     |                               |  |                    |               |
| 349,900                       | SK Telecom Company Limited – ADR                      | 5,965,795    | 0.63     |                               |  |                    |               |
| 241,721                       | Tam SA – ADR  | 3,142,373    | 0.33     |                               |  |                    |               |
| 76,000                        | Teva Pharmaceutical Industries Limited – ADR          | 3,890,440    | 0.41     |                               |  |                    |               |
| 247,600                       | Vivo Participacoes SA                                 | 6,009,252    | 0.64     |                               |  |                    |               |

<sup>(1)</sup> Illiquid security<sup>(2)</sup> Fair valued security (see note 2b)

# Legg Mason Emerging Markets Equity Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Banks                                  | 20.40         |
| Oil and gas producers                  | 12.35         |
| Telecommunication services             | 10.05         |
| Mining (non precious)                  | 7.78          |
| Semiconductors                         | 7.78          |
| Financial services                     | 4.23          |
| Engineering and construction           | 3.83          |
| Precious metals                        | 3.28          |
| Iron and steel                         | 3.01          |
| Food                                   | 2.92          |
| Real estate                            | 2.83          |
| Retail                                 | 2.53          |
| Electronic equipment                   | 2.27          |
| Home builders                          | 2.11          |
| Computers and peripherals              | 1.89          |
| Building materials                     | 1.76          |
| Transportation                         | 1.73          |
| Food services                          | 1.67          |
| Diversified companies                  | 1.50          |
| Electrical equipment                   | 1.21          |
| IT Consulting and services             | 1.16          |
| Pharmaceuticals                        | 1.11          |
| Leisure and entertainment              | 0.89          |
| Electrical utilities                   | 0.51          |
| Real estate investment trust           | 0.40          |
| Chemicals                              | 0.22          |
| Healthcare services                    | 0.21          |
| Software                               | 0.17          |
| Apparel                                | 0.16          |
| Forest products and paper              | 0.14          |
| Investment companies                   | 0.12          |
| Oil and gas services                   | 0.11          |
| <b>Total Investments in Securities</b> | <b>100.33</b> |
| <b>Other Net Liabilities</b>           | <b>(0.33)</b> |
| <b>Total Net Assets</b>                | <b>100.00</b> |



# Legg Mason US\$ Core Bond Fund

(expressed in USD)

## Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description  | Market Value     | %<br>NAV     | Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV     |
|-------------------------------|--|------------------|--------------|-------------------------------|--|-------------------|--------------|
| 499,985                       | Merrill Lynch Mortgage Invest.s 5.209%<br>25/Mar/2033            | 364,049          | 1.26         | 10,000                        | Wells Fargo & Company 3.750% 1/Oct/2014  | 9,980             | 0.03         |
| 140,000                       | Nelnet Student Loan Trust FRN 25/Apr/2024                        | 143,298          | 0.50         |                               |  | 4,686,703         | 16.21        |
| 127,681                       | Option One Mortg. Loan Trust FRN<br>25/Feb/2033                  | 88,205           | 0.31         |                               | <b>Total Bonds</b>   | <b>4,686,703</b>  | <b>16.21</b> |
| 210,236                       | Structured Asset Mortgage Invest.s Inc. FRN<br>19/May/2035       | 125,053          | 0.43         |                               | <b>USD Equities</b>  |                   |              |
| 690,674                       | Structured Asset Securities Corp. 3.450%<br>25/Feb/2032          | 573,190          | 1.98         | 47                            | Preferred Blocker Inc. 9.000%<br>31/Dec/2011 <sup>(1)</sup>  | 27,260            | 0.09         |
| 74,876                        | Structured Asset Securities Corp. 4.500%<br>25/Mar/2033          | 38,255           | 0.13         |                               | <b>Total Equities</b>  | <b>27,260</b>     | <b>0.09</b>  |
| 96,267                        | Wells Fargo Mortg. Backed Securities Trust<br>5.097% 25/Jul/2034 | 28,015           | 0.10         |                               | <b>Total Transferable securities and money<br/>market instruments dealt in on another<br/>regulated market and recently issued<br/>transferable securities</b> | <b>13,922,618</b> | <b>48.19</b> |
|                               |  | 4,081,425        | 14.13        |                               | <b>Other transferable securities and money market instruments</b>  |                   |              |
|                               | <b>Total Mortgage and Asset Backed<br/>Securities</b>            | <b>4,081,425</b> | <b>14.13</b> |                               | <b>USD Mortgage and Asset Backed Securities</b>  |                   |              |
|                               | <b>USD Bonds</b>   |                  |              | 132,427                       | Citigroup Mortg. Loan Trust Inc. FRN<br>25/Nov/2045  | 79,848            | 0.28         |
| 230,000                       | AES Corp. (The) 8.000% 1/Jun/2020                                | 228,275          | 0.79         | 214,299                       | Citigroup Mortg. Loan Trust Inc. FRN<br>25/Nov/2046  | 105,877           | 0.37         |
| 500,000                       | Bank of America Corp. 5.420% 15/Mar/2017                         | 479,685          | 1.66         | 225,340                       | CS First Boston Mortg. Securities Corp. 6.000%<br>25/Oct/2035  | 170,272           | 0.59         |
| 40,000                        | Cenovus Energy Inc. 5.700% 15/Oct/2019                           | 41,163           | 0.14         | 105,077                       | Energy Future Hldgs Corp. 5.474%<br>25/Jun/2032  | 24,612            | 0.09         |
| 20,000                        | Citigroup Inc. 6.375% 12/Aug/2014                                | 20,721           | 0.07         | 340,000                       | GSAA Trust FRN 25/Jul/2037   | 74,800            | 0.26         |
| 110,000                       | Comcast Cable Hldgs 9.800% 1/Feb/2012                            | 126,641          | 0.44         | 243,196                       | GSRPM Mortg. Loan Trust FRN 25/Sep/2036  | 97,278            | 0.34         |
| 130,000                       | Comcast Corp. 6.500% 15/Jan/2017                                 | 142,839          | 0.49         | 651,989                       | Lehman XS Trust FRN 25/Aug/2036  | 232,203           | 0.80         |
| 200,000                       | Continental Airlines Inc. 5.983%<br>19/Apr/2022                  | 189,000          | 0.65         | 221,281                       | Mastr Adjustable Rate Mortg. Trust 5.647%<br>25/Nov/2035   | 121,207           | 0.42         |
| 90,000                        | Delhaize Grp 6.500% 15/Jun/2017                                  | 98,037           | 0.34         | 505,690                       | Residential Accredit Loans FRN 25/Jan/2037   | 246,139           | 0.85         |
| 200,000                       | Deutsche Telekom Finance 5.750%<br>23/Mar/2016                   | 213,998          | 0.74         | 347,728                       | Structured Adjustable Rate Mortg. Loan Trust<br>5.944% 25/Oct/2035   | 232,298           | 0.80         |
| 30,000                        | DirecTV Hldgs LLC- P.P. 144A 4.750%<br>1/Oct/2014                | 30,038           | 0.10         | 247,387                       | Thornburg Mortg. Securities Trust 6.200%<br>25/Nov/2017  | 200,737           | 0.69         |
| 130,000                       | Edison Mission Energy 7.200% 15/May/2019                         | 104,650          | 0.36         | 258,551                       | Thornburg Mortg. Securities Trust 6.209%<br>25/Nov/2017  | 207,784           | 0.72         |
| 879,800                       | Energy Future Hldgs Corp. 11.250%<br>1/Nov/2017                  | 580,668          | 2.01         | 520,000                       | WaMu Mortg. Pass Through Certificates FRN<br>25/Nov/2036   | 303,311           | 1.05         |
| 330,000                       | Ford Motor Credit Company LLC 7.500%<br>1/Aug/2012               | 318,335          | 1.10         | 473,275                       | Washington Mutual Alternative Mortg. Pass-<br>Through Certificate FRN 25/May/2046  | 236,029           | 0.82         |
| 40,000                        | General Motors Acceptance 7.500%<br>31/Dec/2013                  | 34,800           | 0.12         |                               |  | 2,332,395         | 8.08         |
| 48,000                        | General Motors Acceptance 8.000%<br>31/Dec/2018                  | 36,960           | 0.13         |                               | <b>Total Mortgage and Asset Backed<br/>Securities</b>  | <b>2,332,395</b>  | <b>8.08</b>  |
| 190,000                       | General Motors Acceptance 8.000%<br>1/Nov/2031                   | 154,850          | 0.54         |                               | <b>USD Bonds</b>   |                   |              |
| 613,000                       | Infinity Property & Casualty Corp. 5.500%<br>18/Feb/2014         | 550,290          | 1.90         | 85,000                        | Charter Communications 10.875%<br>15/Sep/2014 <sup>(1)</sup>   | 92,225            | 0.32         |
| 60,000                        | Kroger Co (The) 3.900% 1/Oct/2015                                | 60,379           | 0.21         | 300,000                       | General Motors Corp. 8.375% 15/Jul/2033 <sup>(1)</sup>   | 48,750            | 0.17         |
| 260,000                       | MetLife 6.400% 15/Dec/2036                                       | 219,700          | 0.76         | 690,000                       | Kaupthing Bank 7.125% 19/May/2016 <sup>(1) (2)</sup>   | 69                | 0.00         |
| 89,453                        | Mirant Mid Atlantic 9.125% 30/Jun/2017                           | 89,956           | 0.31         | 540,000                       | Kaupthing Bank Hf 7.625% 28/Feb/2015 <sup>(1) (2)</sup>  | 114,750           | 0.40         |
| 40,000                        | RailAmerica 9.250% 1/Jul/2017                                    | 41,900           | 0.15         |                               |  |                   |              |
| 271,000                       | Tenet Healthcare Corp. 8.875% 1/Jul/2009                         | 285,905          | 0.99         |                               |  |                   |              |
| 60,000                        | Tenn Valley Authority 5.250% 15/Sep/2039                         | 63,514           | 0.22         |                               |  |                   |              |
| 100,000                       | TNK-BP Finance 7.500% 13/Mar/2013                                | 100,880          | 0.35         |                               |  |                   |              |
| 90,000                        | Travelers Companies (The) 6.250%<br>15/Mar/2037                  | 79,200           | 0.27         |                               |  |                   |              |
| 80,000                        | Vale Overseas Limited 6.250% 23/Jan/2017                         | 85,688           | 0.30         |                               |  |                   |              |
| 250,000                       | Webster Bank 5.875% 15/Jan/2013                                  | 209,873          | 0.73         |                               |  |                   |              |
| 83,000                        | WellPoint Health Networks 6.375%<br>15/Jan/2012                  | 88,778           | 0.31         |                               |  |                   |              |

# Legg Mason US\$ Core Bond Fund

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV      |
|-------------------------------|--|-------------------|---------------|
| 230,000                       | Resona Preferred Global Securities Cayman Limited – Pfd 7.191% 29/Dec/2049 | 190,900           | 0.66          |
|                               |  | 446,694           | 1.55          |
|                               | <b>Total Bonds</b>   | <b>446,694</b>    | <b>1.55</b>   |
|                               | <b>Total Other transferable securities and money market instruments</b>    | <b>2,779,089</b>  | <b>9.63</b>   |
|                               | <b>Total Investments in Securities</b>                                     | <b>23,224,457</b> | <b>80.39</b>  |
|                               | <b>Other Net Assets</b>  | <b>5,666,862</b>  | <b>19.61</b>  |
|                               | <b>Total Net Assets</b>  | <b>28,891,319</b> | <b>100.00</b> |

<sup>(1)</sup> Illiquid security

<sup>(2)</sup> The interests accrued are nil, these instruments are considered as defaulted.

# Legg Mason US\$ Core Bond Fund

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Mortgage and asset backed securities   | 22.21         |
| Government and guaranteed bonds        | 18.23         |
| Banks                                  | 12.06         |
| Financial services                     | 6.84          |
| Electrical utilities                   | 4.05          |
| Insurance                              | 3.72          |
| Oil and gas producers                  | 3.58          |
| Telecommunication services             | 2.31          |
| Broadcasting, radio and television     | 2.04          |
| Oil and gas services                   | 1.44          |
| Healthcare services                    | 1.30          |
| Airlines                               | 0.65          |
| Food services                          | 0.55          |
| Chemicals                              | 0.49          |
| Mining (non precious)                  | 0.30          |
| Pharmaceuticals                        | 0.30          |
| Auto manufacturers                     | 0.17          |
| Transportation                         | 0.15          |
| <b>Total Investments in Securities</b> | <b>80.39</b>  |
| <b>Other Net Assets</b>                | <b>19.61</b>  |
| <b>Total Net Assets</b>                | <b>100.00</b> |



# Legg Mason US\$ High Yield Bond Fund \*

(expressed in USD)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV      |
|-------------------------------|--|-------------------|---------------|
| 70,000                        | Fontainebleau Las Vegas Hldgs 10.250%<br>15/Jun/2015 <sup>(1) (3)</sup>        | 1,575             | 0.01          |
| 65,000                        | Hawaiian Telcom Communications 12.500%<br>1/May/2015 <sup>(1) (3)</sup>        | 81                | 0.00          |
| 280,000                       | Idearc 8.000% 15/Nov/2016 <sup>(1) (3)</sup>                                   | 13,300            | 0.05          |
| 265,000                       | Inn of the Mountain Gods Resort & Casino<br>12.000% 15/Nov/2010 <sup>(1)</sup> | 122,562           | 0.47          |
| 325,000                       | Leiner Health Products 11.000%<br>1/Jun/2012 <sup>(1) (3)</sup>                | 813               | 0.00          |
| 65,000                        | Metlife Cap. Trust IV- P.P. 144A 7.875%<br>15/Dec/2037                         | 61,100            | 0.23          |
| 160,000                       | Radnor Hldgs Corp. 11.000%<br>15/Mar/2010 <sup>(1) (2) (3)</sup>               | 0                 | 0.00          |
| 265,000                       | SemGroup 8.750% 15/Nov/2015 <sup>(1) (3)</sup>                                 | 17,225            | 0.07          |
| 35,000                        | Snoqualmie Entertainment Authority FRN<br>1/Feb/2014                           | 17,675            | 0.07          |
| 80,000                        | Station Casinos Inc. 6.000% 1/Apr/2012 <sup>(1)</sup>                          | 23,600            | 0.09          |
| 175,000                       | Station Casinos Inc. 7.750% 15/Aug/2016 <sup>(1) (3)</sup>                     | 50,750            | 0.19          |
| 35,000                        | Swift Transportation FRN 15/May/2015   | 24,150            | 0.09          |
| 15,000                        | USG Corp.- P.P. 144A 9.750% 1/Aug/2014   | 15,488            | 0.06          |
| 90,000                        | W&T Offshore 8.250% 15/Jun/2014  | 82,124            | 0.31          |
|                               |  | 791,469           | 3.01          |
|                               | <b>Total Bonds</b>   | <b>791,469</b>    | <b>3.01</b>   |
|                               | <b>USD Equities</b>  |                   |               |
| 5,597                         | CMP Susquehanna Radio Holdings Corp. <sup>(1)</sup>                            | 2,099             | 0.01          |
| 4,499                         | Georgia Gulf Corp. <sup>(1)</sup>  | 130,470           | 0.50          |
| 1                             | Ion Media  | 0                 | 0.00          |
|                               |  | 132,569           | 0.51          |
|                               | <b>Total Equities</b>  | <b>132,569</b>    | <b>0.51</b>   |
|                               | <b>USD Bonds – convertibles</b>  |                   |               |
| 15,000                        | Ventas Inc.- P.P. 144A 3.875% 15/Nov/2011                                      | 15,881            | 0.06          |
|                               | <b>Total Bonds – convertibles</b>  | <b>15,881</b>     | <b>0.06</b>   |
|                               | <b>USD Warrants Equity</b>   |                   |               |
| 92                            | Buffets Resources Hldgs – Wt<br>28/Apr/2014 <sup>(1) (2)</sup>                 | 0                 | 0.00          |
| 6,396                         | CMP Susquehanna – Wt 19 – P.P. 144A <sup>(1)</sup>                             | 156               | 0.00          |
|                               |  | 156               | 0.00          |
|                               | <b>Total Warrants Equity</b>   | <b>156</b>        | <b>0.00</b>   |
|                               | <b>Total Other transferable securities and<br/>money market instruments</b>    | <b>940,075</b>    | <b>3.58</b>   |
|                               | <b>Total Investments in Securities</b>   | <b>3,909,892</b>  | <b>14.84</b>  |
|                               | <b>Other Net Assets</b>  | <b>22,436,088</b> | <b>85.16</b>  |
|                               | <b>Total Net Assets</b>  | <b>26,345,980</b> | <b>100.00</b> |

<sup>(1)</sup> Illiquid security<sup>(2)</sup> Fair valued security (see note 2b)<sup>(3)</sup> The interests accrued are nil, these instruments are considered as defaulted.

\* Not authorised in Hong Kong and not available to Hong Kong Residents.  
The accompanying notes form an integral part of the Financial Statements

# Legg Mason US\$ High Yield Bond Fund \*

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Leisure and entertainment              | 1.51          |
| Banks                                  | 1.27          |
| Insurance                              | 1.10          |
| Forest products and paper              | 0.97          |
| Retail                                 | 0.94          |
| Financial services                     | 0.83          |
| Advertising                            | 0.77          |
| Building materials                     | 0.77          |
| Government and guaranteed bonds        | 0.74          |
| Oil and gas producers                  | 0.69          |
| Broadcasting, radio and television     | 0.56          |
| Airlines                               | 0.54          |
| Telecommunication services             | 0.53          |
| Chemicals                              | 0.51          |
| Diversified companies                  | 0.46          |
| Metal fabrication                      | 0.46          |
| Commercial services                    | 0.43          |
| Transportation                         | 0.42          |
| Semiconductors                         | 0.34          |
| Oil and gas services                   | 0.31          |
| Packaging and containers               | 0.20          |
| Publishing and printing                | 0.20          |
| Household products                     | 0.11          |
| Other                                  | 0.18          |
| <b>Total Investments in Securities</b> | <b>14.84</b>  |
| <b>Other Net Assets</b>                | <b>85.16</b>  |
| <b>Total Net Assets</b>                | <b>100.00</b> |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason Euro Core Plus Bond Fund \*

(expressed in EUR)

## Schedule of Investments and Other Net Assets as of 30 September 2009

| Quantity/<br>Nominal<br>Value  | Description   | Market Value | %<br>NAV | Quantity/<br>Nominal<br>Value | Description  | Market Value | %<br>NAV |
|--|---|--------------|----------|-------------------------------|--|--------------|----------|
| <b>Transferable securities and money market instruments admitted to an official exchange listing</b> |   |              |          | 110,000                       | BAT Finance 5.375% 29/Jun/2017                                   | 115,839      | 0.46     |
| <b>AUD Supranationals, Governments and Local Public Authorities, Debt Instruments</b>                |   |              |          | 50,000                        | Bayerische LB 5.750% 23/Oct/2017                                 | 47,590       | 0.19     |
| 840,000  | Australian (Govt of) 5.250% 15/Aug/2010                                   | 508,373      | 2.00     | 66,000                        | Bombardier 7.250% 15/Nov/2016                                    | 66,977       | 0.26     |
| <b>EUR Supranationals, Governments and Local Public Authorities, Debt Instruments</b>                |   |              |          | 100,000                       | British Telecommunications 5.250% 23/Jun/2014                    | 102,842      | 0.40     |
| 590,000  | Federal Republic of Germany 4.750% 4/Jul/2040                             | 673,878      | 2.65     | 58,000                        | British Telecommunications 7.375% 15/Feb/2011 <sup>(3)</sup>     | 62,167       | 0.24     |
| 556,000  | European Invest. Bank 3.125% 15/Oct/2015                                  | 562,338      | 2.21     | 91,000                        | Chesapeake Energy Corp. 6.250% 15/Jan/2017                       | 81,900       | 0.32     |
| 1,122,221  | France (Govt of) OAT 4.750% 25/Apr/2035                                   | 1,238,715    | 4.87     | 140,000                       | Citigroup Inc. 7.375% 16/Jun/2014                                | 155,437      | 0.61     |
| 97,000   | Germany (Govt of) 3.750% 4/Jan/2017                                       | 102,367      | 0.40     | 110,000                       | Citigroup Inc. 7.375% 4/Sep/2019                                 | 121,946      | 0.48     |
| 1,144,251  | Germany (Govt of) 4.000% 4/Jan/2037                                       | 1,149,953    | 4.53     | 70,000                        | Clondalkin Acquisition FRN 15/Dec/2013                           | 61,600       | 0.24     |
| 710,000  | Germany (Govt of) 4.250% 4/Jul/2039                                       | 749,993      | 2.95     | 487,000                       | Countrywide Fin. Corp. FRN 23/Nov/2010                           | 481,289      | 1.90     |
| 320,000  | Germany (Govt of) 5.250% 4/Jul/2010                                       | 331,268      | 1.30     | 234,000                       | Deutsche Telekom Finance 7.125% 11/Jul/2011 <sup>(3)</sup>       | 252,754      | 0.99     |
| 20,825   | Germany (Govt of) 5.500% 4/Jan/2031                                       | 25,105       | 0.10     | 140,000                       | E.ON Finance 5.125% 7/May/2013                                   | 150,352      | 0.59     |
| 1  | Germany (Govt of) Bundesobligation 3.500% 9/Oct/2009                      | 1            | 0.00     | 166,000                       | Edcon Proprietary Limited FRN 15/Jun/2014                        | 119,520      | 0.47     |
| 80,000   | Germany (Govt of) Bundesobligation 3.500% 12/Apr/2013                     | 84,090       | 0.33     | 150,000                       | EDF SA 4.625% 11/Sep/2024  | 149,067      | 0.59     |
| 913,260  | Netherlands (Govt of) 5.500% 15/Jan/2028                                  | 1,084,157    | 4.26     | 300,000                       | ELM BV for Swiss Life Insurance & Pension Grp 5.849% 29/Apr/2049 | 201,165      | 0.79     |
| 120,000  | Spain (Govt of) 4.200% 30/Jul/2013  | 128,334      | 0.50     | 150,000                       | ELM for Swiss Reinsurance Company FRN 29/May/2049                | 119,719      | 0.47     |
|  |   |              |          | 493,000                       | Eurohypo Capital Fdg Trust 1 6.445% 29/May/2049                  | 216,920      | 0.85     |
|  |   |              |          | 123,000                       | Europcar Groupe FRN 15/May/2013                                  | 108,240      | 0.43     |
| <b>GBP Supranationals, Governments and Local Public Authorities, Debt Instruments</b>                |   |              |          | 189,000                       | Fortis Hybrid Finance 5.125% 29/Jun/2049                         | 121,373      | 0.48     |
| 1  | United Kingdom Gilt 5.000% 7/Mar/2012                                     | 1            | 0.00     | 150,000                       | France Telecom 8.125% 28/Jan/2033                                | 203,790      | 0.80     |
| <b>NOK Supranationals, Governments and Local Public Authorities, Debt Instruments</b>                |   |              |          | 150,000                       | Generali Finance 5.317% 29/Jun/2049                              | 130,835      | 0.51     |
| 13,460,000   | Norway (Govt of) 4.250% 19/May/2017                                       | 1,602,240    | 6.30     | 404,000                       | Goldman Sachs Grp 4.750% 12/Oct/2021                             | 365,504      | 1.45     |
| <b>PLN Supranationals, Governments and Local Public Authorities, Debt Instruments</b>                |   |              |          | 300,000                       | Groupama 6.298% 29/Oct/2049                                      | 195,000      | 0.77     |
| 6,404,000  | Poland (Govt of) 5.750% 23/Sep/2022                                       | 1,447,718    | 5.69     | 100,000                       | Hellas Telecommunications Luxembourg V FRN 15/Oct/2012           | 87,000       | 0.34     |
| 4,000  | Poland (Govt of) 6.250% 24/Oct/2015                                       | 965          | 0.00     | 360,000                       | HSH Nordbank FRN 14/Feb/2017                                     | 238,052      | 0.94     |
|  |   |              |          | 110,000                       | HSH Nordbank Luxembourg 7.408% 29/Jun/2049                       | 27,500       | 0.11     |
|  |   |              |          | 250,000                       | Hypo Real Estate Trust I 5.864% 29/Jun/2049                      | 40,000       | 0.16     |
|  |   |              |          | 110,000                       | Imperial Tobacco Finance 7.250% 15/Sep/2014                      | 122,747      | 0.48     |
|  |   |              |          | 120,000                       | Imperial Tobacco Finance 8.375% 17/Feb/2016                      | 140,612      | 0.55     |
| <b>Total Supranationals, Governments and Local Public Authorities, Debt Instruments</b>              |   |              |          | 150,000                       | Invest. 4.000% 14/Mar/2016                                       | 148,272      | 0.58     |
|  |   |              |          | 21,333                        | Korreden SA 11.000% 1/Aug/2014                                   | 6,933        | 0.03     |
| <b>EUR Bonds</b>   |   |              |          | 75,000                        | Lecta RN FRN 15/Feb/2014   | 60,094       | 0.24     |
| 240,000  | Allied Irish Banks 12.500% 25/Jun/2019                                    | 271,383      | 1.07     | 90,000                        | Lloyds TSB Bank 6.375% 17/Jun/2016                               | 99,062       | 0.39     |
| 250,000  | Anglian Water Services Finance 4.625% 7/Oct/2013                          | 260,182      | 1.02     | 100,000                       | Mapfre 5.921% 24/Jul/2037  | 83,387       | 0.33     |
| 70,000   | ArcelorMittal 8.250% 3/Jun/2013   | 77,360       | 0.30     | 218,000                       | Millipore Corp. 5.875% 30/Jun/2016                               | 207,100      | 0.81     |
| 125,000  | AstraZeneca 5.125% 15/Jan/2015  | 135,990      | 0.53     | 50,000                        | Munich Re Finance 5.767% 29/Jun/2049                             | 45,721       | 0.18     |
| 250,000  | Aviva 6.875% 22/May/2038  | 236,249      | 0.93     | 98,000                        | Nordic Telephone Company Hldgs 8.250% 1/May/2016                 | 103,390      | 0.41     |
| 155,000  | AXA 6.211% 29/Oct/2049  | 130,110      | 0.51     | 500,000                       | Northern Rock 3.625% 28/Mar/2013                                 | 482,382      | 1.91     |
| 200,000  | AyT Cedulas Cajas VII Fondo de Titulizacion de Activos 4.000% 23/Jun/2011 | 206,516      | 0.81     | 218,000                       | Pemex Project Fdg Master Trust 5.500% 24/Feb/2025                | 185,958      | 0.73     |
| 33,000   | Banca Italease FRN 15/Oct/2009  | 32,958       | 0.13     | 50,000                        | Pfizer 5.750% 3/Jun/2021   | 55,932       | 0.22     |
| 250,000  | Banca Italease FRN 2/Feb/2010   | 246,448      | 0.97     | 149,000                       | Resona Bank Var 05-27/sep/49 4.125% 29/Sep/2049                  | 129,630      | 0.51     |
| 98,000   | Banca Italease FRN 23/Nov/2010  | 94,741       | 0.37     | 210,000                       | Royal KPN 4.750% 17/Jan/2017                                     | 214,466      | 0.84     |
| 33,000   | Banca Italease FRN 8/Feb/2012   | 30,301       | 0.12     | 300,000                       | RZB Fin. Jersey IV Limited 5.169% 29/May/2049                    | 171,705      | 0.67     |
| 300,000  | Banca Monte dei Paschi di Siena 4.875% 31/May/2016                        | 298,205      | 1.17     | 50,000                        | Shinsei Bank Limited 3.750% 23/Feb/2016                          | 41,745       | 0.16     |
| 350,000  | Banco Popolare di Verona e Novara 6.156% 29/Jun/2049                      | 235,278      | 0.92     | 140,000                       | SL Finance 5.314% 29/Jan/2049                                    | 104,650      | 0.41     |
| 300,000  | Barclays Bank 4.250% 27/Oct/2011  | 315,428      | 1.24     | 332,000                       | SLM Corp. 4.750% 17/Mar/2014                                     | 249,482      | 0.98     |
| 270,000  | Barclays Bank 5.250% 27/May/2014  | 288,499      | 1.13     |                               |  |              |          |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason Euro Core Plus Bond Fund \*

(expressed in EUR)

Schedule of Investments and Other Net Assets as of 30 September 2009 – (continued)

| Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV     | Quantity/<br>Nominal<br>Value | Description  | Market Value      | %<br>NAV      |
|-------------------------------|--|-------------------|--------------|-------------------------------|--|-------------------|---------------|
| 295,000                       | SNS Reaal 6.258% 29/Jul/2049   | 176,263           | 0.69         | 165,000                       | General Motors Acceptance 8.000%<br>1/Nov/2031   | 92,464            | 0.36          |
| 200,000                       | Standard Chartered Bank / United Kingdom<br>5.875% 26/Sep/2017   | 208,081           | 0.82         |                               |  | 413,961           | 1.63          |
| 117,000                       | Sumitomo Mitsui Banking Corp. 4.375%<br>29/Jul/2049  | 99,450            | 0.39         |                               | <b>Total Bonds</b>   | <b>413,961</b>    | <b>1.63</b>   |
| 280,000                       | Svenska Handelsbanken AB 3.000%<br>20/Aug/2012   | 282,257           | 1.12         |                               | <b>Total Transferable securities and money<br/>market instruments dealt in on another<br/>regulated market and recently issued<br/>transferable securities</b> | <b>413,961</b>    | <b>1.63</b>   |
| 300,000                       | Telecom Italia 5.250% 17/Mar/2055  | 234,017           | 0.92         |                               | <b>Other transferable securities and money market instruments</b>  |                   |               |
| 100,000                       | Tesco PLC 5.125% 24/Feb/2015   | 107,140           | 0.42         |                               | <b>EUR Bonds</b>   |                   |               |
| 140,000                       | Thames Water Utilities Cayman Fin. Limited<br>6.125% 4/Feb/2013  | 151,076           | 0.59         | 100,000                       | Lehman Brothers Hldgs 4.625% 14/Mar/2019<br>(1) (2)  | 1                 | 0.00          |
| 100,000                       | Total Cap. 3.500% 27/Feb/2014  | 102,906           | 0.40         | 198,000                       | LyondellBasell AF 8.375% 15/Aug/2015 (1) (2)   | 29,700            | 0.12          |
| 787,000                       | UniCredito Italiano Cap. Trust III 4.028%<br>29/Oct/2049   | 517,052           | 2.04         |                               |  | 29,701            | 0.12          |
| 162,000                       | Xstrata Fin. Canada Limited 5.250%<br>13/Jun/2017  | 155,795           | 0.61         |                               | <b>USD Bonds</b>   |                   |               |
|                               |  | 11,571,331        | 45.49        | 500,000                       | ZFS Fin. USA Trust I 6.450% 15/Dec/2065  | 302,541           | 1.19          |
|                               | <b>GBP Bonds</b>   |                   |              |                               | <b>Total Bonds</b>   | <b>302,541</b>    | <b>1.19</b>   |
| 192,000                       | GE Capital UK Fdg 5.875% 1/Nov/2012  | 222,106           | 0.87         |                               | <b>Total Other transferable securities and<br/>money market instruments</b>  | <b>332,242</b>    | <b>1.31</b>   |
| 180,000                       | Pipe Hldg 7.750% 1/Nov/2011  | 181,456           | 0.71         |                               | <b>Undertakings for collective investments in transferable securities</b>  |                   |               |
| 104,000                       | RSA Insurance Grp 8.500% 29/Jul/2049   | 120,411           | 0.47         | 794                           | Legg Mason Institutional Funds PLC –<br>WA US High Yield Bond Fund   | 664,094           | 2.61          |
| 298,000                       | Scottish Widows 5.125% 29/Sep/2049   | 194,014           | 0.76         |                               | <b>Total Funds</b>   | <b>664,094</b>    | <b>2.61</b>   |
| 136,000                       | Telefonica Emisiones 5.375% 2/Feb/2018   | 152,462           | 0.60         |                               | <b>Total Undertakings for collective<br/>investments in transferable securities</b>  | <b>664,094</b>    | <b>2.61</b>   |
|                               |  | 870,449           | 3.41         |                               | <b>Total Investments in Securities</b>   | <b>24,323,299</b> | <b>95.61</b>  |
|                               | <b>USD Bonds</b>   |                   |              |                               | <b>Other Net Assets</b>  | <b>1,115,833</b>  | <b>4.39</b>   |
| 110,000                       | Embarq Corp. 6.738% 1/Jun/2013   | 81,973            | 0.32         |                               | <b>Total Net Assets</b>  | <b>25,439,132</b> | <b>100.00</b> |
| 195,000                       | FirstEnergy Corp. 7.375% 15/Nov/2031   | 151,561           | 0.60         |                               |  |                   |               |
| 190,000                       | Pacific Gas & Electric Company 6.050%<br>1/Mar/2034  | 145,776           | 0.57         |                               |  |                   |               |
| 220,000                       | Pemex Project Fdg Master Trust 6.625%<br>15/Jun/2035   | 144,463           | 0.57         |                               |  |                   |               |
| 20,000                        | SLM Corp. 5.000% 1/Oct/2013  | 10,933            | 0.04         |                               |  |                   |               |
| 30,000                        | SLM Corp. 5.050% 14/Nov/2014   | 15,143            | 0.06         |                               |  |                   |               |
| 115,000                       | SLM Corp. 5.375% 15/May/2014   | 60,534            | 0.24         |                               |  |                   |               |
| 20,000                        | SLM Corp. 5.625% 1/Aug/2033  | 8,651             | 0.03         |                               |  |                   |               |
| 220,000                       | Tyco Grp 6.000% 15/Nov/2013  | 162,102           | 0.64         |                               |  |                   |               |
|                               |  | 781,136           | 3.07         |                               |  |                   |               |
|                               | <b>Total Bonds</b>   | <b>13,222,916</b> | <b>51.97</b> |                               |  |                   |               |
|                               | <b>EUR Bonds – convertibles</b>  |                   |              |                               |  |                   |               |
| 59,000                        | Hollandwide Parent 0.000% 8/Jan/2014   | 590               | 0.00         |                               |  |                   |               |
|                               | <b>Total Bonds – convertibles</b>  | <b>590</b>        | <b>0.00</b>  |                               |  |                   |               |
|                               | <b>Total Transferable securities and money<br/>market instruments admitted to an official<br/>exchange listing</b>                                   | <b>22,913,002</b> | <b>90.06</b> |                               |  |                   |               |
|                               | <b>Transferable securities and money market instruments dealt in on<br/>another regulated market and recently issued transferable<br/>securities</b> |                   |              |                               |  |                   |               |
|                               | <b>USD Bonds</b>   |                   |              |                               |  |                   |               |
| 20,000                        | Energy Future Hldgs Corp. 6.500%<br>15/Nov/2024  | 6,843             | 0.03         |                               |  |                   |               |
| 50,000                        | Energy Future Hldgs Corp. 6.550%<br>15/Nov/2034  | 16,410            | 0.06         |                               |  |                   |               |
| 657,200                       | Energy Future Hldgs Corp. 11.250%<br>1/Nov/2017  | 298,244           | 1.18         |                               |  |                   |               |

(1) Illiquid security

(2) The interests accrued are nil, these instruments are considered as defaulted.

(3) The effective rates applied on these instruments may vary from the one indicated in the description. These periodic changes are subject to the latest available ratings by S&amp;P or Moody's for these issues.

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

# Legg Mason Euro Core Plus Bond Fund \*

Industrial Classification as of 30 September 2009

|  | %             |
|--|---------------|
|  | <b>NAV</b>    |
| Government and guaranteed bonds        | 35.88         |
| Banks                                  | 17.88         |
| Financial services                     | 11.02         |
| Insurance                              | 6.14          |
| Telecommunication services             | 5.53          |
| Electrical utilities                   | 3.61          |
| Open-ended funds                       | 2.61          |
| Supranational banks                    | 2.21          |
| Oil and gas producers                  | 2.03          |
| Tobacco                                | 1.49          |
| Investment companies                   | 1.20          |
| Miscellaneous machinery                | 0.90          |
| Biotechnology                          | 0.81          |
| Pharmaceuticals                        | 0.75          |
| Diversified companies                  | 0.71          |
| Water utilities                        | 0.59          |
| Retail                                 | 0.47          |
| Commercial services                    | 0.43          |
| Food services                          | 0.42          |
| Iron and steel                         | 0.30          |
| Forest products and paper              | 0.24          |
| Packaging and containers               | 0.24          |
| Chemicals                              | 0.12          |
| Other                                  | 0.03          |
| <b>Total Investments in Securities</b> | <b>95.61</b>  |
| <b>Other Net Assets</b>                | <b>4.39</b>   |
| <b>Total Net Assets</b>                | <b>100.00</b> |

\* Not authorised in Hong Kong and not available to Hong Kong Residents.

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## Statement of Net Assets as of 30 September 2009

|   | Legg Mason<br>Global Equity<br>Fund | Legg Mason<br>US Growth and<br>Value Fund | Legg Mason<br>US Large Cap<br>Growth Fund <sup>(1)</sup> | Legg Mason<br>US Aggressive<br>Growth Fund |
|---|-------------------------------------|---|--|--|
|   | USD                                 | USD                                       | USD  | USD  |
| <b>Assets</b>   |                                     |   |  |  |
| Investments at cost   | 32,008,400                          | 16,273,290                                | 7,582,574  | 25,010,476                                 |
| Unrealised appreciation/(depreciation) (note 2b)                                | 2,774,644                           | 573,086                                   | 457,824  | (27,436)                                   |
| Investments at market value (note 2b)   | 34,783,044                          | 16,846,376                                | 8,040,398  | 24,983,040                                 |
| Options at market value (notes 2f, 10)  | –                                   | –   | –  | –  |
| Net unrealised appreciation on forward foreign exchange contracts (notes 2f, 8) | –                                   | –   | –  | –  |
| Net unrealised appreciation on futures contracts (notes 2f, 9)                  | –                                   | –   | –  | –  |
| Net unrealised gain on swap agreements (notes 2f, 11)                           | –                                   | –   | –  | –  |
| Liquid assets   | 148,252                             | 264,201                                   | 98,910   | 448,656                                    |
| Dividends receivable (note 2d)  | 66,341                              | 12,500                                    | 4,030  | 681  |
| Subscriptions receivable  | 1,161                               | 804                                       | 178,956  | 1,557                                      |
| Accrued securities lending income   | –                                   | –   | –  | –  |
| Interest receivable (note 2c)   | –                                   | –   | –  | –  |
| Futures margins and options deposits (note 2f)                                  | –                                   | –   | –  | –  |
| Receivable from securities sold   | –                                   | –   | –  | –  |
| <b>Total assets</b>   | <b>34,998,798</b>                   | <b>17,123,881</b>                         | <b>8,322,294</b>   | <b>25,433,934</b>                          |
| <b>Liabilities</b>  |                                     |   |  |  |
| Options at market value (notes 2f, 10)  | –                                   | –   | –  | –  |
| Net unrealised depreciation on forward foreign exchange contracts (notes 2f, 8) | 98                                  | –   | –  | –  |
| Net unrealised depreciation on futures contracts (notes 2f, 9)                  | –                                   | –   | –  | –  |
| Accrued expenses  | 131,592                             | 89,751                                    | 56,806   | 89,091                                     |
| Redemptions payable   | 17,443                              | 18,515                                    | 12,078   | 31,345                                     |
| Payable for securities purchased  | –                                   | –   | 77,850   | –  |
| Payable on CDS premiums   | –                                   | –   | –  | –  |
| Accrued interest on swap agreements (note 2f)                                   | –                                   | –   | –  | –  |
| <b>Total liabilities</b>  | <b>149,133</b>                      | <b>108,266</b>                            | <b>146,734</b>   | <b>120,436</b>                             |
| <b>Net assets</b>   | <b>34,849,665</b>                   | <b>17,015,615</b>                         | <b>8,175,560</b>   | <b>25,313,498</b>                          |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

|   | Legg Mason<br>US\$ Core<br>Bond Fund<br>USD | Legg Mason<br>US\$ High Yield<br>Bond Fund <sup>(1)</sup><br>USD | Legg Mason<br>Euro Core Plus<br>Bond Fund <sup>(1)</sup><br>EUR | Combined*<br>USD     |
|---|---|--|---|----------------------|
| <b>Assets</b>   |   |  |   |                      |
| Investments at cost   | 28,565,984                                  | 5,539,649  | 27,256,891  | 1,229,077,926        |
| Unrealised appreciation/(depreciation) (note 2b)                                | (5,341,527)                                 | (1,629,757)  | (2,933,592)   | 112,858,481          |
| Investments at market value (note 2b)   | 23,224,457                                  | 3,909,892  | 24,323,299  | 1,341,936,407        |
| Options at market value (notes 2f, 10)  | –   | –  | 2,560   | 3,742                |
| Net unrealised appreciation on forward foreign exchange contracts (notes 2f, 8) | –   | –  | 130,596   | 190,892              |
| Net unrealised appreciation on futures contracts (notes 2f, 9)                  | 84,078                                      | –  | –   | 84,078               |
| Net unrealised gain on swap agreements (notes 2f, 11)                           | –   | –  | 46,639  | 68,172               |
| Liquid assets   | 5,454,833                                   | 22,296,569   | 556,761   | 44,278,208           |
| Dividends receivable (note 2d)  | –   | –  | –   | 2,417,230            |
| Subscriptions receivable  | 1,077                                       | –  | –   | 3,175,066            |
| Accrued securities lending income   | –   | –  | –   | 11,738               |
| Interest receivable (note 2c)   | 277,609                                     | 98,594   | 539,142   | 1,164,267            |
| Futures margins and options deposits (note 2f)                                  | –   | –  | 73,201  | 106,998              |
| Receivable from securities sold   | –   | 89,026   | –   | 14,477,055           |
| <b>Total assets</b>   | <b>29,042,054</b>                           | <b>26,394,081</b>  | <b>25,672,198</b>   | <b>1,407,913,853</b> |
| <b>Liabilities</b>  |   |  |   |                      |
| Options at market value (notes 2f, 10)  | 3,300                                       | –  | –   | 3,300                |
| Net unrealised depreciation on forward foreign exchange contracts (notes 2f, 8) | –   | –  | –   | 98                   |
| Net unrealised depreciation on futures contracts (notes 2f, 9)                  | –   | –  | 8,016   | 11,717               |
| Accrued expenses  | 70,368                                      | 48,101   | 65,470  | 3,022,913            |
| Redemptions payable   | –   | –  | 106,784   | 15,238,626           |
| Payable for securities purchased  | 77,067                                      | –  | –   | 10,797,573           |
| Payable on CDS premiums   | –   | –  | 50,495  | 73,809               |
| Accrued interest on swap agreements (note 2f)                                   | –   | –  | 2,301   | 3,363                |
| <b>Total liabilities</b>  | <b>150,735</b>                              | <b>48,101</b>  | <b>233,066</b>  | <b>29,151,399</b>    |
| <b>Net assets</b>   | <b>28,891,319</b>                           | <b>26,345,980</b>  | <b>25,439,132</b>   | <b>1,378,762,454</b> |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

\* Please see note 2g.

| <b>Legg Mason<br/>US Fundamental<br/>Value Fund <sup>(1)</sup></b> | <b>Legg Mason<br/>Pan-Europe<br/>Equity Fund</b> | <b>Legg Mason<br/>Japan Equity<br/>Fund</b> | <b>Legg Mason<br/>Asia Pacific<br/>(ex Japan) Fund</b> | <b>Legg Mason<br/>China Equity<br/>Fund</b> | <b>Legg Mason<br/>Emerging<br/>Markets<br/>Equity Fund<br/>USD</b> |
|--|--|---|--|---|--|
| <b>USD</b>   | <b>EUR</b>                                       | <b>JPY</b>                                  | <b>USD</b>   | <b>USD</b>                                  |  |
| 50,489,872   | 71,606,934                                       | 2,018,367,678                               | 48,089,552   | 2,861,488                                   | 845,604,603  |
| 3,546,892  | 2,605,966  | 16,214,989                                  | 10,173,622   | 260,324                                     | 102,368,598  |
| 54,036,764   | 74,212,900                                       | 2,034,582,667                               | 58,263,174   | 3,121,812                                   | 947,973,201  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| 5,580,912  | 810,158  | 31,361,222                                  | 242,727  | 28,152                                      | 7,366,703  |
| 40,355   | 70,825   | 6,588,585                                   | 128,190  | 13,290                                      | 1,974,731  |
| 6,943  | 1,951  | -   | 2,500,000  | -   | 481,716  |
| -  | -  | -   | -  | -   | 11,738   |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | 5,016,778  | 63,267,114                                  | -  | -   | 6,348,386  |
| <b>59,664,974</b>  | <b>80,112,612</b>                                | <b>2,135,799,588</b>                        | <b>61,134,091</b>                                      | <b>3,163,254</b>                            | <b>964,156,475</b>   |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| 131,508  | 393,993  | 11,124,314                                  | 117,878  | 19,871                                      | 1,472,104  |
| 6,299  | 19,502   | 389   | 7,548  | -   | 14,960,801   |
| -  | 5,016,778  | 32,764,262                                  | 54,385   | -   | 2,889,308  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| <b>137,807</b>   | <b>5,430,273</b>                                 | <b>43,888,965</b>                           | <b>179,811</b>   | <b>19,871</b>                               | <b>19,322,213</b>  |
| <b>59,527,167</b>  | <b>74,682,339</b>                                | <b>2,091,910,623</b>                        | <b>60,954,280</b>                                      | <b>3,143,383</b>                            | <b>944,834,262</b>   |

# Statement of Operations and Changes in Net Assets for the period ended 30 September 2009

|  | Legg Mason<br>Global Equity<br>Fund | Legg Mason<br>US Growth and<br>Value Fund | Legg Mason<br>US Large Cap<br>Growth Fund <sup>(1)</sup> | Legg Mason<br>US Aggressive<br>Growth Fund |
|--|-------------------------------------|---|--|--|
|  | USD                                 | USD                                       | USD  | USD  |
| <b>Net assets at the beginning of the period</b>                         | <b>28,223,352</b>                   | <b>13,915,744</b>                         | <b>6,837,431</b>   | <b>20,199,480</b>                          |
| <b>Income</b>  |                                     |   |  |  |
| Dividend income (note 2d)  | 430,626                             | 111,783                                   | 24,691   | 68,784                                     |
| Interest income (note 2c)  | 202                                 | 116                                       | –  | 113  |
| Securities lending income (note 2k)                                      | –                                   | –   | –  | –  |
| <b>Total income</b>  | <b>430,828</b>                      | <b>111,899</b>                            | <b>24,691</b>  | <b>68,897</b>                              |
| <b>Expenses</b>  |                                     |   |  |  |
| Management fees (note 5)   | 197,434                             | 112,181                                   | 55,787   | 162,216                                    |
| Custody, transfer agent and administration fees (note 4)                 | 26,141                              | 12,591                                    | 6,226  | 18,210                                     |
| Regulatory fees  | 9,580                               | 4,303                                     | 2,797  | 5,263                                      |
| Taxation (note 7)  | 7,136                               | 3,746                                     | 2,070  | 6,034                                      |
| Audit and legal fees   | 3,429                               | 1,678                                     | 793  | 2,500                                      |
| Publication and printing fees  | 2,919                               | 1,425                                     | 627  | 2,072                                      |
| Directors' and insurance fees  | 235                                 | 115                                       | 53   | 167  |
| Liquidation fees (notes 15, 16)  | –                                   | –   | –  | –  |
| <b>Total expenses</b>  | <b>246,874</b>                      | <b>136,039</b>                            | <b>68,353</b>  | <b>196,462</b>                             |
| <b>Net income / (loss) from investments</b>                              | <b>183,954</b>                      | <b>(24,140)</b>                           | <b>(43,662)</b>  | <b>(127,565)</b>                           |
| <b>Net realised gain / (loss) on:</b>                                    |                                     |   |  |  |
| Sales of investments (notes 2a, 2e)                                      | (81,186)                            | (836,377)                                 | 28,317   | (983,593)                                  |
| Forward foreign exchange contracts (note 2f)                             | 4,708                               | 2,034                                     | (1,262)  | (2,525)                                    |
| Futures contracts (note 2f)  | –                                   | –   | –  | –  |
| Option contracts (note 2f)   | –                                   | –   | –  | –  |
| Swap agreements (note 2f)  | –                                   | –   | –  | –  |
| <b>Net change in unrealised appreciation / (depreciation) on:</b>        |                                     |   |  |  |
| Investments (note 2b)  | 9,644,057                           | 5,291,273                                 | 2,028,987  | 8,715,486                                  |
| Forward foreign exchange contracts                                       | 2,121                               | –   | –  | –  |
| Futures contracts  | –                                   | –   | –  | –  |
| Option contracts   | –                                   | –   | –  | –  |
| Swap agreements  | –                                   | –   | –  | –  |
| <b>Net change in net assets for the period resulting from operations</b> | <b>9,753,654</b>                    | <b>4,432,790</b>                          | <b>2,012,380</b>   | <b>7,601,803</b>                           |
| Proceeds from subscriptions  | 1,032,836                           | 1,121,907                                 | 1,229,121  | 2,573,763                                  |
| Payments for redemptions   | (4,152,532)                         | (2,452,882)                               | (1,903,306)  | (5,060,244)                                |
| <b>Net payments from subscription and redemption activity</b>            | <b>(3,119,696)</b>                  | <b>(1,330,975)</b>                        | <b>(674,185)</b>   | <b>(2,486,481)</b>                         |
| Dividend distributions (note 14)   | (7,645)                             | (1,944)                                   | (66)   | (1,304)                                    |
| <b>Net assets at the end of the period</b>                               | <b>34,849,665</b>                   | <b>17,015,615</b>                         | <b>8,175,560</b>   | <b>25,313,498</b>                          |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

| <b>Legg Mason<br/>US Fundamental<br/>Value Fund <sup>(1)</sup></b> | <b>Legg Mason<br/>Pan-Europe<br/>Equity Fund</b> | <b>Legg Mason<br/>Japan Equity<br/>Fund</b> | <b>Legg Mason<br/>Asia Pacific<br/>(ex Japan) Fund</b> | <b>Legg Mason<br/>China Equity<br/>Fund</b> | <b>Legg Mason<br/>Emerging<br/>Markets<br/>Equity Fund<br/>USD</b> |
|--|--|---|--|---|--|
| <b>USD</b>   | <b>EUR</b>                                       | <b>JPY</b>                                  | <b>USD</b>   | <b>USD</b>                                  | <b>USD</b>   |
| <b>39,668,450</b>  | <b>12,363,760</b>                                | <b>2,162,073,762</b>                        | <b>34,314,503</b>                                      | <b>3,645,328</b>                            | <b>622,605,309</b>   |
| 388,809  | 580,633  | 3,112,578                                   | 1,017,513  | 76,789                                      | 11,915,645   |
| -  | 821  | -   | -  | -   | 4,348  |
| -  | -  | -   | -  | -   | 151,317  |
| <b>388,809</b>   | <b>581,454</b>                                   | <b>3,112,578</b>                            | <b>1,017,513</b>                                       | <b>76,789</b>                               | <b>12,071,310</b>  |
| 286,897  | 390,035  | 16,802,209                                  | 346,996  | 10,217                                      | 2,906,422  |
| 39,123   | 39,694   | 1,901,240                                   | 39,414   | 3,247                                       | 645,033  |
| 5,356  | 6,616  | 90,372                                      | 2,251  | 4,362                                       | 46,339   |
| 11,344   | 18,093   | 607,233                                     | 11,948   | 381   | 63,929   |
| 5,672  | 7,446  | 274,626                                     | 5,823  | 386   | 91,269   |
| 4,752  | 6,342  | 193,494                                     | 4,817  | 314   | 76,647   |
| 383  | 511  | 15,799                                      | 388  | 25  | 6,180  |
| -  | -  | -   | -  | -   | -  |
| <b>353,527</b>   | <b>468,737</b>                                   | <b>19,884,973</b>                           | <b>411,637</b>   | <b>18,932</b>                               | <b>3,835,819</b>   |
| <b>35,282</b>  | <b>112,717</b>                                   | <b>(16,772,395)</b>                         | <b>605,876</b>   | <b>57,857</b>                               | <b>8,235,491</b>   |
| (910,407)  | 4,390,586  | (49,711,095)                                | (3,459,074)  | 71,773                                      | (40,439,506)   |
| 3,720  | (16,146)   | (509,559)                                   | (38,898)   | 144   | (253,272)  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | (193)  | -   | -  | -   | -  |
| 18,092,975   | 7,503,557  | 432,954,107                                 | 27,095,589   | 1,273,899                                   | 493,267,709  |
| -  | (219)  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| -  | -  | -   | -  | -   | -  |
| <b>17,221,570</b>  | <b>11,990,302</b>                                | <b>365,961,058</b>                          | <b>24,203,493</b>                                      | <b>1,403,673</b>                            | <b>460,810,422</b>   |
| 13,606,998   | 58,932,122                                       | 29,159,892                                  | 15,789,213   | 226,406                                     | 17,106,183   |
| (10,969,194)   | (8,601,749)                                      | (465,284,089)                               | (13,345,630)   | (2,132,024)                                 | (155,647,837)  |
| <b>2,637,804</b>   | <b>50,330,373</b>                                | <b>(436,124,197)</b>                        | <b>2,443,583</b>                                       | <b>(1,905,618)</b>                          | <b>(138,541,654)</b>   |
| (657)  | (2,096)  | -   | (7,299)  | -   | (39,815)   |
| <b>59,527,167</b>  | <b>74,682,339</b>                                | <b>2,091,910,623</b>                        | <b>60,954,280</b>                                      | <b>3,143,383</b>                            | <b>944,834,262</b>   |

# Statement of Operations and Changes in Net Assets for the period ended 30 September 2009 – (continued)

|  | Legg Mason<br>Global Bond<br>Fund <sup>(2)</sup> | Legg Mason<br>Global<br>(Unhedged)<br>Bond Fund <sup>(2)</sup> | Legg Mason<br>Global Corporate<br>Bond Fund <sup>(2)</sup> | Legg Mason<br>US\$ Core<br>Bond Fund |
|--|--|--|--|--------------------------------------|
|  | USD  | USD  | USD  | USD                                  |
| <b>Net assets at the beginning of the period</b>                         | <b>17,851,155</b>                                | <b>13,620,669</b>  | <b>26,345,280</b>  | <b>32,681,522</b>                    |
| <b>Income</b>  |  |  |  |                                      |
| Dividend income (note 2d)  | –  | –  | 1,421  | 1,152                                |
| Interest income (note 2c)  | 113,247  | 75,100   | 567,732  | 942,746                              |
| Securities lending income (note 2k)                                      | –  | –  | –  | –                                    |
| <b>Total income</b>  | <b>113,247</b>                                   | <b>75,100</b>  | <b>569,153</b>   | <b>943,898</b>                       |
| <b>Expenses</b>  |  |  |  |                                      |
| Management fees (note 5)   | 21,731   | 7,337  | 49,767   | 122,252                              |
| Custody, transfer agent and administration fees (note 4)                 | 4,464  | 2,598  | 11,820   | 23,551                               |
| Regulatory fees  | 1,550  | –  | 4,155  | 3,732                                |
| Taxation (note 7)  | –  | –  | 2,164  | 7,247                                |
| Audit and legal fees   | –  | –  | 7,874  | 2,996                                |
| Publication and printing fees  | –  | –  | –  | 2,430                                |
| Directors' and insurance fees  | –  | –  | 852  | 322                                  |
| Liquidation fees (notes 15, 16)  | 27,400   | 20,462   | 30,000   | –                                    |
| <b>Total expenses</b>  | <b>55,145</b>                                    | <b>30,397</b>  | <b>106,632</b>   | <b>162,530</b>                       |
| <b>Net income / (loss) from investments</b>                              | <b>58,102</b>                                    | <b>44,703</b>  | <b>462,521</b>   | <b>781,368</b>                       |
| <b>Net realised gain / (loss) on:</b>                                    |  |  |  |                                      |
| Sales of investments (notes 2a, 2e)                                      | (2,343,896)                                      | (2,593,090)  | (15,191,788)   | (2,522,803)                          |
| Forward foreign exchange contracts (note 2f)                             | (102,661)  | 179,122  | (617,185)  | 330                                  |
| Futures contracts (note 2f)  | 29,772   | 89,248   | (38,370)   | 44,751                               |
| Option contracts (note 2f)   | (17,888)   | (108,163)  | –  | 7,615                                |
| Swap agreements (note 2f)  | –  | –  | (503)  | –                                    |
| <b>Net change in unrealised appreciation / (depreciation) on:</b>        |  |  |  |                                      |
| Investments (note 2b)  | 2,839,642  | 2,880,709  | 21,864,397   | 6,831,746                            |
| Forward foreign exchange contracts                                       | (33,554)   | (94,533)   | 16,599   | –                                    |
| Futures contracts  | (72,778)   | (38,797)   | 20,312   | 40,675                               |
| Option contracts   | 3,393  | 43,575   | –  | (1,756)                              |
| Swap agreements  | –  | –  | –  | –                                    |
| <b>Net change in net assets for the period resulting from operations</b> | <b>360,132</b>                                   | <b>402,774</b>   | <b>6,515,983</b>   | <b>5,181,926</b>                     |
| Proceeds from subscriptions  | 60,650   | –  | 315,000  | 253,887                              |
| Payments for redemptions   | (18,271,937)                                     | (14,023,443)   | (33,176,263)   | (9,226,016)                          |
| <b>Net payments from subscription and redemption activity</b>            | <b>(18,211,287)</b>                              | <b>(14,023,443)</b>  | <b>(32,861,263)</b>  | <b>(8,972,129)</b>                   |
| Dividend distributions (note 14)   | –  | –  | –  | –                                    |
| <b>Net assets at the end of the period</b>                               | <b>–</b>   | <b>–</b>   | <b>–</b>   | <b>28,891,319</b>                    |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

<sup>(2)</sup> Please see note 15.

\* Please see note 2g.

\*\* The opening balance was combined using the foreign exchange rates as of 30 September 2009. The same net assets when combined using the foreign exchange rates ruling as of 31 March 2009 reflected a figure of USD 1,004,982,859.

| <b>Legg Mason<br/>US\$ High Yield<br/>Bond Fund <sup>(1)</sup></b> | <b>Legg Mason<br/>Euro Core Plus<br/>Bond Fund <sup>(1)</sup></b> | <b>Legg Mason<br/>Euro Limited<br/>Duration<br/>Bond Fund <sup>(2)</sup></b> | <b>Combined*</b>       |
|--|---|--|------------------------|
| <b>USD</b>   | <b>EUR</b>  | <b>EUR</b>   | <b>USD</b>             |
| <b>59,768,485</b>  | <b>25,423,104</b>   | <b>9,977,066</b>   | <b>1,013,641,057**</b> |
| 6,824  | 2,221   | -  | 14,930,759             |
| 1,308,150  | 658,680   | 51,435   | 4,050,930              |
| -  | -   | -  | 151,317                |
| <b>1,314,974</b>   | <b>660,901</b>  | <b>51,435</b>  | <b>19,133,006</b>      |
| 78,301   | 116,972   | 10,351   | 5,301,421              |
| 22,785   | 19,803  | 2,097  | 966,470                |
| 1,408  | 2,573   | 171  | 105,793                |
| 2,882  | 6,328   | 12   | 161,377                |
| 2,674  | 2,676   | -  | 142,957                |
| 2,188  | 2,185   | -  | 112,816                |
| 176  | 176   | -  | 10,077                 |
| 37,000   | -   | 14,353   | 135,836                |
| <b>147,414</b>   | <b>150,713</b>  | <b>26,984</b>  | <b>6,936,747</b>       |
| <b>1,167,560</b>   | <b>510,188</b>  | <b>24,451</b>  | <b>12,196,259</b>      |
| (18,365,998)   | (3,532,572)   | (2,182,195)  | (90,118,399)           |
| -  | 11,465  | (5,340)  | (846,084)              |
| -  | 4,723   | 86,452   | 258,671                |
| -  | (107,906)   | -  | (276,162)              |
| -  | (152,057)   | -  | (223,047)              |
| 27,107,000   | 9,305,626   | 2,666,256  | 660,236,306            |
| -  | 90,968  | 3,925  | 29,018                 |
| -  | (2,768)   | (87,725)   | (182,862)              |
| -  | 29,545  | -  | 88,398                 |
| -  | 46,639  | -  | 68,172                 |
| <b>9,908,562</b>   | <b>6,203,851</b>  | <b>505,824</b>   | <b>581,230,270</b>     |
| 348,776  | 589,190   | 1,825  | 140,995,391            |
| (43,304,085)   | (6,717,273)   | (10,484,715)   | (356,579,390)          |
| <b>(42,955,309)</b>  | <b>(6,128,083)</b>  | <b>(10,482,890)</b>  | <b>(215,583,999)</b>   |
| (375,758)  | (59,740)  | -  | (524,874)              |
| <b>26,345,980</b>  | <b>25,439,132</b>   | <b>-</b>   | <b>1,378,762,454</b>   |

# Net Assets Information as of 30 September 2009, 31 March 2009 and 31 March 2008

|                  |                   | Legg Mason<br>Global Equity<br>Fund<br>USD | Legg Mason<br>US Growth and<br>Value Fund<br>USD | Legg Mason<br>US Large Cap<br>Growth Fund <sup>(1)</sup><br>USD |
|------------------|-------------------|--|--|---|
| Net assets as of | 30 September 2009 | 34,849,665                                 | 17,015,615                                       | 8,175,560   |
|                  | 31 March 2009     | 28,223,352                                 | 13,915,744                                       | 6,837,431   |
|                  | 31 March 2008     | 63,962,635                                 | 25,304,935                                       | 15,618,928  |

## Net asset value per unit as of 30 September 2009

|                                     |     |        |       |        |
|-------------------------------------|-----|--------|-------|--------|
| <b>Class A Ordinary</b>             |     |        |       |        |
|                                     | USD | 175.86 | 89.23 | 135.04 |
|                                     | EUR | 120.25 | 60.14 | 92.30  |
|                                     | JPY | -      | -     | -      |
|                                     | GBP | -      | -     | -      |
| <b>Class A Distribution</b>         |     |        |       |        |
|                                     | EUR | 117.84 | 59.57 | 91.82  |
| <b>Class C Ordinary</b>             |     |        |       |        |
|                                     | USD | 166.94 | 83.65 | 126.14 |
|                                     | EUR | 113.09 | 56.21 | 86.03  |
|                                     | JPY | -      | -     | -      |
|                                     | GBP | -      | -     | -      |
| <b>Class C Distribution</b>         |     |        |       |        |
|                                     | EUR | -      | -     | -      |
| <b>Class Institutional Ordinary</b> |     |        |       |        |
|                                     | USD | -      | 95.13 | -      |
|                                     | EUR | -      | -     | -      |
|                                     | JPY | -      | -     | -      |
| <b>Class M Ordinary</b>             |     |        |       |        |
|                                     | USD | 224.07 | -     | -      |
|                                     | EUR | -      | -     | -      |
|                                     | JPY | -      | -     | -      |
|                                     | GBP | -      | -     | -      |

## Number of Units Outstanding as of 30 September 2009

|                                     |     |            |             |            |
|-------------------------------------|-----|------------|-------------|------------|
| <b>Class A Ordinary</b>             |     |            |             |            |
|                                     | USD | 86,635,617 | 116,866,018 | 52,634,031 |
|                                     | EUR | 47,538,392 | 19,199,977  | 5,480,263  |
|                                     | JPY | -          | -           | -          |
|                                     | GBP | -          | -           | -          |
| <b>Class A Distribution</b>         |     |            |             |            |
|                                     | EUR | 4,019,701  | 8,330,893   | 90,701     |
| <b>Class C Ordinary</b>             |     |            |             |            |
|                                     | USD | 3,845,996  | 11,318,667  | 1,037,683  |
|                                     | EUR | 17,044,209 | 10,401,187  | 1,475,138  |
|                                     | JPY | -          | -           | -          |
|                                     | GBP | -          | -           | -          |
| <b>Class C Distribution</b>         |     |            |             |            |
|                                     | EUR | -          | -           | -          |
| <b>Class Institutional Ordinary</b> |     |            |             |            |
|                                     | USD | -          | 24,943,889  | -          |
|                                     | EUR | -          | -           | -          |
|                                     | JPY | -          | -           | -          |
| <b>Class M Ordinary</b>             |     |            |             |            |
|                                     | USD | 31,713,679 | -           | -          |
|                                     | EUR | -          | -           | -          |
|                                     | JPY | -          | -           | -          |
|                                     | GBP | -          | -           | -          |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

<sup>(2)</sup> Please see note 15.

The accompanying notes form an integral part of the Financial Statements

| Legg Mason<br>US Aggressive<br>Growth Fund<br>USD | Legg Mason<br>US Fundamental<br>Value Fund <sup>(1)</sup><br>USD | Legg Mason<br>Europe (ex UK)<br>Equity Fund <sup>(2)</sup><br>EUR | Legg Mason<br>Pan-Europe<br>Equity Fund<br>EUR | Legg Mason<br>Japan Equity<br>Fund<br>JPY | Legg Mason<br>Asia Pacific<br>(ex Japan) Fund<br>USD | Legg Mason<br>Asia (ex Japan)<br>Analyst Fund <sup>(2)</sup><br>USD |
|---|--|---|--|---|--|---|
| 25,313,498  | 59,527,167   | -   | 74,682,339                                     | 2,091,910,623                             | 60,954,280   | -   |
| 20,199,480  | 39,668,450   | 59,294,845  | 12,363,760                                     | 2,162,073,762                             | 34,314,503   | 15,645,017  |
| 50,188,269  | 82,897,614   | 165,932,116   | 34,115,451                                     | 11,583,170,354                            | 104,780,023  | 83,234,787  |
| 81.70   | 464.16   | -   | 280.74   | 23.49                                     | 458.53   | -   |
| 55.53   | 317.83   | -   | 192.03   | 16.03                                     | 313.87   | -   |
| -   | -  | -   | -  | 2,102.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 55.14   | 314.73   | -   | 179.69   | 15.98                                     | 293.49   | -   |
| 76.71   | 433.47   | -   | 266.98   | -   | 427.18   | -   |
| 52.06   | 293.77   | -   | 179.85   | 14.92                                     | 292.14   | -   |
| -   | -  | -   | -  | 1,961.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 87.40   | -  | -   | 326.27   | -   | 495.98   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | 522.89   | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 272,651.885                                       | 80,188.104   | -   | 33,206.744                                     | 151,503.082                               | 87,687.885   | -   |
| 23,439.450  | 13,312.973   | -   | 336,571.362                                    | 70,454.069                                | 5,696.516  | -   |
| -   | -  | -   | -  | 718,738.606                               | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 4,031.216   | 384.490  | -   | 581.273  | 1,088.483                                 | 917.706  | -   |
| 6,775.097   | 1,023.625  | -   | 1,754.490                                      | -   | 1,794.355  | -   |
| 3,620.723   | 2,084.257  | -   | 18,064.691                                     | 46,518.008                                | 4,259.847  | -   |
| -   | -  | -   | -  | 10,904.729                                | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 160.000   | -  | -   | 1.699  | -   | 27,339.964   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | 27,935.000   | -   | -  | -   | 3,119.004  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |

# Net Assets Information as of 30 September 2009, 31 March 2009 and 31 March 2008 – (continued)

|   | Legg Mason<br>Global Equity<br>Fund<br>USD | Legg Mason<br>US Growth and<br>Value Fund<br>USD | Legg Mason<br>US Large Cap<br>Growth Fund <sup>(1)</sup><br>USD |
|---|--|--|---|
| <b>Net asset value per unit as of 31 March 2009</b> |  |  |   |
| Class A<br>Ordinary                                 |  |  |   |
| USD   | 129.29                                     | 67.12  | 103.43  |
| EUR   | 97.33                                      | 49.80  | 77.83   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |
| Class A<br>Distribution                             |  |  |   |
| EUR   | 96.41                                      | 49.47  | 77.85   |
| Class C<br>Ordinary                                 |  |  |   |
| USD   | 123.19                                     | 63.15  | 96.98   |
| EUR   | 91.87                                      | 46.72  | 72.82   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |
| Class C<br>Distribution                             |  |  |   |
| EUR   | –  | –  | –   |
| Class Institutional<br>Ordinary                     |  |  |   |
| USD   | –  | 71.26  | –   |
| EUR   | –  | –  | –   |
| JPY   | –  | –  | –   |
| Class M<br>Ordinary                                 |  |  |   |
| USD   | 163.53                                     | –  | –   |
| EUR   | –  | –  | –   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |
| <b>Net asset value per unit as of 31 March 2008</b> |  |  |   |
| Class A<br>Ordinary                                 |  |  |   |
| USD   | 234.42                                     | 108.04   | 148.35  |
| EUR   | 148.68                                     | 67.54  | 94.06   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |
| Class A<br>Distribution                             |  |  |   |
| EUR   | 147.22                                     | 67.21  | 94.03   |
| Class C<br>Ordinary                                 |  |  |   |
| USD   | 224.97                                     | 102.58   | 140.06  |
| EUR   | 141.37                                     | 63.94  | 88.59   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |
| Class C<br>Distribution                             |  |  |   |
| EUR   | –  | –  | –   |
| Class Institutional<br>Ordinary                     |  |  |   |
| USD   | –  | 113.72   | –   |
| EUR   | –  | –  | –   |
| JPY   | –  | –  | –   |
| Class M<br>Ordinary                                 |  |  |   |
| USD   | 292.09                                     | –  | –   |
| EUR   | –  | –  | –   |
| JPY   | –  | –  | –   |
| GBP   | –  | –  | –   |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

<sup>(2)</sup> Please see note 15.

The accompanying notes form an integral part of the Financial Statements

| Legg Mason<br>US Aggressive<br>Growth Fund<br>USD | Legg Mason<br>US Fundamental<br>Value Fund <sup>(1)</sup><br>USD | Legg Mason<br>Europe (ex UK)<br>Equity Fund <sup>(2)</sup><br>EUR | Legg Mason<br>Pan-Europe<br>Equity Fund<br>EUR | Legg Mason<br>Japan Equity<br>Fund<br>JPY | Legg Mason<br>Asia Pacific<br>(ex Japan) Fund<br>USD | Legg Mason<br>Asia (ex Japan)<br>Analyst Fund <sup>(2)</sup><br>USD |
|---|--|---|--|---|--|---|
| 58.17   | 326.13   | 399.37  | 187.75   | 18.18                                     | 270.64   | 102.96  |
| 43.53   | 245.86   | 300.75  | 141.38   | 13.67                                     | 203.95   | -   |
| -   | -  | -   | -  | 1,795.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 43.39   | 244.35   | 293.94  | 134.96   | 13.62                                     | 194.21   | -   |
| 54.82   | 305.72   | 373.76  | 179.21   | -   | 253.08   | -   |
| 40.96   | 228.09   | 280.99  | 132.92   | 12.76                                     | 190.55   | -   |
| -   | -  | -   | -  | 1,680.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 61.87   | 363.07   | -   | 216.51   | -   | 291.05   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | 364.73   | -   | -  | -   | 299.07   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 90.54   | 553.48   | 840.92  | 390.78   | 34.31                                     | 553.04   | 205.72  |
| 57.08   | 351.55   | 533.52  | 247.93   | 21.72                                     | 351.14   | -   |
| -   | -  | -   | -  | 3,419.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 56.91   | 349.25   | 524.83  | 239.31   | 21.64                                     | 337.79   | -   |
| 85.98   | 523.12   | 792.89  | 376.71   | -   | 521.11   | -   |
| 54.12   | 328.85   | 502.22  | 235.40   | 20.43                                     | 330.57   | -   |
| -   | -  | -   | -  | 3,225.00                                  | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| 95.87   | 609.40   | -   | 443.93   | -   | 587.73   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | 3,767.00                                  | -  | -   |
| -   | 609.73   | -   | 474.98   | -   | 600.89   | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |
| -   | -  | -   | -  | -   | -  | -   |

# Net Assets Information as of 30 September 2009, 31 March 2009 and 31 March 2008 – (continued)

|                         |                          | Legg Mason<br>China Equity<br>Fund<br>USD | Legg Mason<br>Emerging<br>Markets<br>Equity Fund<br>USD | Legg Mason<br>Global Bond<br>Fund <sup>(2)</sup><br>USD |
|-------------------------|--------------------------|---|---|---|
| <b>Net assets as of</b> | <b>30 September 2009</b> | 3,143,383                                 | 944,834,262   | –   |
|                         | <b>31 March 2009</b>     | 3,645,328                                 | 622,605,309   | 17,851,155  |
|                         | <b>31 March 2008</b>     | 9,272,421                                 | 1,570,808,360   | 30,923,229  |

## Net asset value per unit as of 30 September 2009

|                                 |  |        |        |   |
|---------------------------------|--|--------|--------|---|
| Class A<br>Ordinary             |  |        |        |   |
| USD                             |  | 184.38 | 298.24 | – |
| EUR                             |  | –      | 203.87 | – |
| JPY                             |  | –      | –      | – |
| GBP                             |  | –      | –      | – |
| Class A<br>Distribution         |  |        |        |   |
| EUR                             |  | –      | 201.02 | – |
| Class C<br>Ordinary             |  |        |        |   |
| USD                             |  | –      | 280.44 | – |
| EUR                             |  | –      | 191.69 | – |
| JPY                             |  | –      | –      | – |
| GBP                             |  | –      | –      | – |
| Class C<br>Distribution         |  |        |        |   |
| EUR                             |  | –      | –      | – |
| Class Institutional<br>Ordinary |  |        |        |   |
| USD                             |  | –      | 364.27 | – |
| EUR                             |  | –      | –      | – |
| JPY                             |  | –      | –      | – |
| Class M<br>Ordinary             |  |        |        |   |
| USD                             |  | 187.17 | 422.77 | – |
| EUR                             |  | –      | –      | – |
| JPY                             |  | –      | –      | – |
| GBP                             |  | –      | –      | – |

## Number of Units Outstanding as of 30 September 2009

|                                 |  |            |               |   |
|---------------------------------|--|------------|---------------|---|
| Class A<br>Ordinary             |  |            |               |   |
| USD                             |  | 1,481,950  | 256,210,714   | – |
| EUR                             |  | –          | 16,125,143    | – |
| JPY                             |  | –          | –             | – |
| GBP                             |  | –          | –             | – |
| Class A<br>Distribution         |  |            |               |   |
| EUR                             |  | –          | 30,239,898    | – |
| Class C<br>Ordinary             |  |            |               |   |
| USD                             |  | –          | 2,451,332     | – |
| EUR                             |  | –          | 9,532,499     | – |
| JPY                             |  | –          | –             | – |
| GBP                             |  | –          | –             | – |
| Class C<br>Distribution         |  |            |               |   |
| EUR                             |  | –          | –             | – |
| Class Institutional<br>Ordinary |  |            |               |   |
| USD                             |  | –          | 1,582,580,041 | – |
| EUR                             |  | –          | –             | – |
| JPY                             |  | –          | –             | – |
| Class M<br>Ordinary             |  |            |               |   |
| USD                             |  | 15,334,132 | 650,218,871   | – |
| EUR                             |  | –          | –             | – |
| JPY                             |  | –          | –             | – |
| GBP                             |  | –          | –             | – |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

<sup>(2)</sup> Please see note 15.

The accompanying notes form an integral part of the Financial Statements

| <b>Legg Mason<br/>Global<br/>(Unhedged)<br/>Bond Fund (2)<br/>USD</b> | <b>Legg Mason<br/>Global<br/>Corporate<br/>Bond Fund (2)<br/>USD</b> | <b>Legg Mason<br/>US\$ Core<br/>Bond Fund<br/>USD</b> | <b>Legg Mason<br/>US\$ High Yield<br/>Bond Fund (1)<br/>USD</b> | <b>Legg Mason<br/>Euro Core Plus<br/>Bond Fund (1)<br/>EUR</b> | <b>Legg Mason<br/>Euro Limited<br/>Duration<br/>Bond Fund (2)<br/>EUR</b> |
|---|--|---|---|--|---|
| -   | -  | 28,891,319  | 26,345,980  | 25,439,132   | -   |
| 13,620,669  | 26,345,280   | 32,681,522  | 59,768,485  | 25,423,104   | 9,977,066   |
| 25,123,265  | 60,315,075   | 90,213,212  | 78,855,249  | 56,714,706   | 32,224,363  |
| -   | -  | 319.10  | 177.85  | -  | -   |
| -   | -  | -   | -   | 273.01   | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | 207.01   | -   |
| -   | -  | 301.76  | 169.90  | -  | -   |
| -   | -  | -   | -   | 258.45   | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | 182.46  | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | 139.58  | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | 84,709.793  | 19,232.825  | -  | -   |
| -   | -  | -   | -   | 69,982.200   | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | 7,605.936  | -   |
| -   | -  | 6,165.970   | 24,331.867  | -  | -   |
| -   | -  | -   | -   | 18,412.589   | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | 85,164.943  | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | 23,296.784  | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |
| -   | -  | -   | -   | -  | -   |

# Net Assets Information as of 30 September 2009, 31 March 2009 and 31 March 2008 – (continued)

|   | Legg Mason<br>China Equity<br>Fund<br>USD | Legg Mason<br>Emerging<br>Markets<br>Equity Fund<br>USD | Legg Mason<br>Global Bond<br>Fund <sup>(2)</sup><br>USD |
|---|---|---|---|
| <b>Net asset value per unit as of 31 March 2009</b> |   |   |   |
| Class A<br>Ordinary                                 |   |   |   |
| USD   | 132.35                                    | 166.58  | 183.40  |
| EUR   | –   | 125.37  | 137.92  |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |
| Class A<br>Distribution                             |   |   |   |
| EUR   | –   | 124.15  | 111.30  |
| Class C<br>Ordinary                                 |   |   |   |
| USD   | –   | 157.22  | 174.88  |
| EUR   | –   | 118.31  | 132.04  |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |
| Class C<br>Distribution                             |   |   |   |
| EUR   | –   | –   | –   |
| Class Institutional<br>Ordinary                     |   |   |   |
| USD   | –   | 202.28  | 188.15  |
| EUR   | –   | –   | –   |
| JPY   | –   | –   | –   |
| Class M<br>Ordinary                                 |   |   |   |
| USD   | 133.23                                    | 233.83  | –   |
| EUR   | –   | –   | –   |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |
| <b>Net asset value per unit as of 31 March 2008</b> |   |   |   |
| Class A<br>Ordinary                                 |   |   |   |
| USD   | 200.72                                    | 370.78  | 198.93  |
| EUR   | –   | 235.11  | 126.05  |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |
| Class A<br>Distribution                             |   |   |   |
| EUR   | –   | 232.82  | 104.67  |
| Class C<br>Ordinary                                 |   |   |   |
| USD   | –   | 352.60  | 190.85  |
| EUR   | –   | 223.55  | 121.40  |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |
| Class C<br>Distribution                             |   |   |   |
| EUR   | –   | –   | –   |
| Class Institutional<br>Ordinary                     |   |   |   |
| USD   | –   | 445.05  | 203.54  |
| EUR   | –   | 138.99  | –   |
| JPY   | –   | –   | –   |
| Class M<br>Ordinary                                 |   |   |   |
| USD   | 198.39                                    | 510.36  | –   |
| EUR   | –   | –   | –   |
| JPY   | –   | –   | –   |
| GBP   | –   | –   | –   |

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

<sup>(2)</sup> Please see note 15.

The accompanying notes form an integral part of the Financial Statements

| <b>Legg Mason<br/>Global<br/>(Unhedged)<br/>Bond Fund <sup>(2)</sup><br/>USD</b> | <b>Legg Mason<br/>Global<br/>Corporate<br/>Bond Fund <sup>(2)</sup><br/>USD</b> | <b>Legg Mason<br/>US\$ Core<br/>Bond Fund<br/>USD</b> | <b>Legg Mason<br/>US\$ High Yield<br/>Bond Fund <sup>(1)</sup><br/>USD</b> | <b>Legg Mason<br/>Euro Core Plus<br/>Bond Fund <sup>(1)</sup><br/>EUR</b> | <b>Legg Mason<br/>Euro Limited<br/>Duration<br/>Bond Fund <sup>(2)</sup><br/>EUR</b> |
|--|---|---|--|---|--|
| 204.81   | 74.24   | 267.68  | 129.33   | -   | -  |
| -  | -   | -   | -  | 213.50  | 64.17  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | 167.88  | 52.49  |
| 194.78   | -   | 253.90  | 123.92   | -   | -  |
| -  | -   | -   | -  | 202.72  | 60.85  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | 132.48   | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| 239.52   | 77.08   | 286.12  | 105.55   | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| 237.96   | 107.35  | 310.93  | 171.50   | -   | -  |
| -  | -   | -   | -  | 262.97  | 72.26  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | 214.19  | 61.25  |
| 227.92   | -   | 296.71  | 165.39   | -   | -  |
| -  | -   | -   | -  | 251.16  | 68.97  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| 257.44   | 110.48  | -   | 175.25   | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| 275.60   | 110.49  | 329.42  | 154.98   | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |
| -  | -   | -   | -  | -   | -  |

# Notes to the Financial Statements as of 30 September 2009

## 1. Description of the Fund

Legg Mason Global Funds FCP (Luxembourg), (the "Fund"), has been established in Luxembourg as an open-ended mutual investment fund under Luxembourg law.

The Fund is an Undertaking for Collective Investment in Transferable Securities (UCITS) qualifying under Part I of the Luxembourg law of 20 December 2002.

The Fund is an umbrella fund insofar as the Fund is divided into different Sub-Funds, each representing a portfolio of assets (a "Sub-Fund").

Units in any particular Sub-Fund are divided into different classes to accommodate different subscription and redemption provisions and/or fees and charges to which they are subject to as well as their availability to certain types of investors.

Class A Units which have an initial sales charge of up to 5% applied by the Intermediaries incur a lower management fee than Class B Units and Class C Units.

Class B Units which are not subject to any initial sales charge are subject to a Contingent Deferred Sales Charge ("CDSC") (as described in the prospectus) and incur a higher management fee than Class A Units. At the end of the period, no Class B Units have been issued.

Class C Units which have an initial sales charge of up to 2.5% applied by the Intermediaries incur a higher management fee than Class A Units.

Class I Units are only available to institutional investors and are not subject to any initial sales charges. They are subject to a management fee as determined by the Management Company.

Class M Units are not subject to any sales charges but will incur a fee charged by the Administrator. Class M Units are specifically for use by Legg Mason Investment Managers, or at the discretion of the Board of Directors of the Management Company.

Class P Units are available for investment at their Net Asset Value per unit with no initial sales charge and incur a lower management fee than Class A, B and C Units. However, investment in Class P is subject to a minimum subscription amount of USD 2 million or its near equivalent in any other freely convertible currency.

Each class may issue units with different distribution entitlements attached ("Sub-Class": Ordinary Units or Distribution Units) and the units of each Sub-Class may be available for subscription in different currencies ("Offering Currencies").

As of 30 September 2009, the Fund is offering the following two different types of Investment Series, each of which is designed to meet different investors' needs. Each Series provides several options that differ in terms of risk level and currency denomination.

The Equity Series is comprised of 10 Sub-Funds:

- Legg Mason Global Equity Fund
- Legg Mason US Growth and Value Fund
- Legg Mason US Large Cap Growth Fund <sup>(1)</sup>
- Legg Mason US Aggressive Growth Fund
- Legg Mason US Fundamental Value Fund <sup>(1)</sup>
- Legg Mason Pan-Europe Equity Fund
- Legg Mason Japan Equity Fund
- Legg Mason Asia Pacific (ex Japan) Fund
- Legg Mason China Equity Fund (note 16)
- Legg Mason Emerging Markets Equity Fund

The Bond Series is comprised of 3 Sub-Funds:

- Legg Mason US\$ Core Bond Fund
- Legg Mason US\$ High Yield Bond Fund <sup>(1)</sup>(note 16)
- Legg Mason Euro Core Plus Bond Fund <sup>(1)</sup>

The securities and other assets of the Fund are segregated from the assets of the Management Company and from the assets of other investment funds, which the Management Company manages, and are managed by the Management Company in the interests of the Unitholders and on their behalf.

The Management Company may in the future create new Sub-Funds and Units classes.

The accounting year of the Fund ends on 31 March of each year.

## 2. Summary of Significant Accounting Policies

The accounting policies of the Fund conform with Luxembourg legal and regulatory requirements relating to investment funds.

### a) Foreign Currencies

The financial statements and accounting records of each Sub-Fund are expressed in the reference currency of the relevant Sub-Fund. Transactions in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency based on the exchange rates in effect at the date of the transaction.

Assets and liabilities denominated in other currencies are translated at the exchange rate on the balance sheet date. Any resulting gains or losses are recognised in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain/(loss) on sales of investments".

<sup>(1)</sup> Not authorised in Hong Kong and not available to Hong Kong Residents.

Main exchange rates used as of 30 September 2009 are:

|         |     |             |     |             |
|---------|-----|-------------|-----|-------------|
| 1 USD = | AUD | 1.13308     | JPY | 89.53497    |
|         | BRL | 1.78160     | KRW | 1,177.85630 |
|         | CAD | 1.07330     | MXN | 13.55271    |
|         | CHF | 1.03765     | MYR | 3.47600     |
|         | CLP | 545.85150   | NOK | 5.80232     |
|         | CNY | 6.82738     | NZD | 1.38793     |
|         | DKK | 5.09315     | PLN | 2.89840     |
|         | EUR | 0.68413     | RUB | 30.16591    |
|         | GBP | 0.62525     | SEK | 6.99286     |
|         | HKD | 7.75008     | SGD | 1.40905     |
|         | HUF | 1.85839     | THB | 33.53791    |
|         | IDR | 9,664.63709 | TRY | 1.49235     |
|         | ILS | 3.76825     | TWD | 32.14814    |
|         | INR | 47.82401    | ZAR | 7.57748     |

#### b) Investment Securities

Securities listed on an official exchange or dealt on another regulated market are valued on the basis of the last available price. If a security is quoted on different markets, the quotation of the main market for this security will be used. Fixed income securities are valued on the basis of the latest available mid price on the relevant stock exchange or the mid price of last available quotes from market makers that constitute the main market for such securities.

Non-listed securities and securities which are listed or dealt on a regulated market but in respect of which the last sales price is not representative of the fair value, are valued on the basis of their probable sales price as determined with prudence and in good faith by the Management Company.

Liquid assets, money market instruments and short term instruments (especially discount instruments) that have a maturity of less than 90 days will be valued at their face value with interest accrued or on an amortised cost basis. In the case of short term instruments (especially discount instruments) that have a maturity of less than 90 days, the value of the instrument based on the net acquisition cost, is gradually adjusted to the repurchase price thereof while the investment return calculated on the net acquisition cost is kept constant. In the event of material changes in market conditions, the valuation basis of the investment is adjusted to the new market yields. All other liquid assets are valued on the basis of their applicable market rates.

Assets denominated in a currency other than the currency of denomination of a particular Sub-Class are re-valued using the applicable foreign exchange rate as set out in (a) above.

In the event of it being impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Management Company is entitled to use other generally recognised valuation principles, which can be examined by the Auditor of the Fund in order to reach a proper valuation of the total assets of the Fund.

The difference between the cost of securities and their market value on the balance sheet date is recognised in the Statement of Net Assets under the heading "Unrealised appreciation/(depreciation)".

Any change in the difference arising between the cost of securities held at year-end and their market value at that date is recognised in the Statement of Operations and Changes in Net Assets under the heading "Net change in unrealised appreciation/(depreciation) on investments".

Security transactions are accounted for on the date the securities are purchased or sold. Purchases of securities are recorded at cost including brokerage commissions.

Shares or units in underlying open-ended investment funds shall be valued at their latest available Net Asset Value, reduced by any applicable charges.

#### c) Interest Income

Interest income includes interest applied to bonds and interest applied to bank accounts. It is accrued gross on a daily basis. Withholding tax is paid out of the gross income.

#### d) Dividend Income

Dividends are accounted for on an ex-dividend basis net of any irrecoverable withholding tax.

#### e) Realised Gains and Losses

Realised gains and losses comprise the profit or loss arising from disposal of securities during the year and differences arising on the revaluation of other assets and liabilities denominated in foreign currencies.

Capital gains or losses are determined on the basis of the weighted average cost of the securities sold.

#### f) Derivatives

Financial derivative instruments listed on an official exchange or dealt on another Regulated Market are valued on the basis of the last available price.

Financial derivative instruments which are not listed on any official stock exchange or traded on any other Regulated Market will be valued in a reliable and verifiable manner on a daily basis in accordance with market practice.

#### Forward foreign exchange contracts

Outstanding forward foreign exchange contracts, if any, are valued at the closing date by reference to the forward exchange rate applicable to the outstanding life of the contract.

The unrealised appreciation or depreciation on open forward foreign exchange contracts is calculated as the difference between the contract rate and the forward rate at the close of business on valuation day. The unrealised appreciation or depreciation on such contracts is disclosed in the Statement of Net Assets under the heading "Net unrealised appreciation/(depreciation) on forward foreign exchange contracts".

The realised gain/(loss) on forward foreign exchange contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain/(loss) on forward foreign exchange contracts".

#### Futures contracts

Outstanding futures contracts, if any, are valued at the close of business market prices or the last available market price of the instruments.

The unrealised appreciation or depreciation on futures contracts is included in the Statement of Net Assets under the heading "Net unrealised appreciation/(depreciation) on futures contracts". All margins accounts are included in "Futures margins and options deposits".

The realised gain/(loss) on futures contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain/(loss) on futures contracts".

**Option contracts**

Outstanding option contracts, if any, are valued at the close of business market price or the last available market price of the instruments.

The market value of option contracts is included in the Statement of Net Assets under the heading "Options at market value". All deposits accounts are included in "Futures margins and options deposits".

The realised gain/(loss) on option contracts is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain/(loss) on option contracts".

**Swap agreements**

Outstanding swap agreements, if any, are valued at the close of business market prices or the last available market price of the instruments.

The unrealised appreciation or depreciation on swap agreements is included in the Statement of Net Assets under the heading "Net unrealised appreciation/(depreciation) on swap agreements". All accrued interests are included in "Accrued interests on swap agreements".

The realised gain/(loss) on swap agreements is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Net realised gain/(loss) on swap agreements".

**g) Combined Figures**

The combined Statement of Net Assets and the combined Statement of Operations and Changes in Net Assets are expressed in United States dollars and are presented for information purposes only.

For this purpose, the corresponding statements of each Sub-Fund have been translated into United States dollars at the exchange rates prevailing at the balance sheet date.

**h) Mortgage Related Securities – To Be Announced Securities (TBAs)**

TBA positions refer to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised.

Although a Sub-Fund will generally enter into TBA purchase commitments with the intention of acquiring securities, a Sub-Fund may also dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.

Negative positions reflect the Sub-Fund's sale commitments of TBAs.

**i) Repurchase Agreements and Reverse Repurchase Agreements**

A repurchase agreement is an agreement under which, on payment of the purchase price, the Fund receives (purchases) securities from a seller who agrees to repurchase them at or within a specified time at a specified price. A repurchase agreement is similar in effect to a loan by the Fund to the seller collateralised by the securities. The Fund does not record the purchase of the securities received but does record the repurchase agreement as if it were a loan. Because a repurchase agreement between the two specific parties involved is generally for a relatively short time and is not transferable, it has no ready market. The Fund carries repurchase agreements at cost, which, combined with accrued interest, approximates market value.

Under a reverse repurchase agreement the Fund sells a security to a buyer, usually broker, for cash. The Fund does not record a sale of the security and it agrees to later repay cash plus interest in exchange for the return (repurchase) of the same securities. The transaction is thus similar in effect to a borrowing by the Fund collateralised by the securities. The proceeds are recorded as a liability plus accrued interest. Repurchase agreements contracts, if any, are included in the Statement of Operations and Changes in Net Assets under the heading "Interest income". The securities are marked to market.

**j) Formation Expenses**

Expenses in connection with the formation of the Fund and its Sub-Funds have been capitalised in the Sub-Funds and amortised over a period not exceeding five years on a straight line basis.

**k) Securities Lending**

Each Sub-Fund may enter into securities lending transactions through a standardised lending system organised by a recognized securities clearing institution or by a highly rated financial institution specialising in this type of transaction. When entering into lending transactions, the Sub-Fund receives a collateral of a value which, at the conclusion of the contract, is at least equal to the aggregate market value of the securities lent given in the form of liquid assets or in the form of securities issued or guaranteed by an OECD Country or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope and blocked in favour of the Sub-Fund until expiry of the securities lending transaction.

Securities lending transactions do not exceed 50% of the aggregate market value of the securities in the Sub-Fund. This limit does not apply where the Sub-Fund has the right at any time to terminate the contract and obtain restitution of the securities lent. Securities lending transactions do not exceed a period of 30 days. The Sub-Fund does not lend securities which serve as underlying instruments linked to derivative financial instruments or which have been accepted within the framework of reverse repos. Securities, used to provide cover in respect of derivatives on an exchange rate or currency are not regarded as being linked to the said derivative.

As of 30 September 2009 the market value of the securities on loan is as follows:

| Sub-Fund                                | Market Value of Securities on Loan (USD) |
|---|--|
| Legg Mason Emerging Markets Equity Fund | 20,839,756                               |

**3. Pooling and Co-Management of Assets**

The Management Company may invest and manage all or any part of the portfolio of assets by using joint investment management techniques, together with Legg Mason Investment Trust Series (Luxembourg) for the purpose of efficient portfolio management. A Sub-Fund using joint investment management techniques transfers all or part of its assets to the pool (or Joint Investment Account) of assets, subject to such assets being appropriate in respect of the investment policy of the pool concerned. In return, the Sub-Fund receives the notional pool units representing a certain pro rata of the pool's assets and liabilities. As of 30 September 2009, the investment holdings in the pools have been allocated to the Sub-Funds based on each Sub-Fund's ownership percentage in the pools at that date. All quantities (securities holdings) are rounded to the nearest unit. In instances where quantities are shown as 0, a Sub-Fund's percentage allocation of a security may result in a fractional value of less than 0.5.

For profit and loss purposes, the notional pool units held by the Sub-Fund determine the proportional allocation of the results, revenues and expenses of the pool on each net asset value date. The profit and loss allocation is recorded in the accounting records for the Sub-Fund. Co-managed assets are only co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed assets in order to ensure that investment decisions are fully compatible with the investment policy of the Sub-Funds. Co-managed assets are only co-managed with assets for which the Custodian Bank is also acting as depository in order to ensure that the Custodian Bank is able, with respect to the Fund or Sub-Funds, to fully carry out its functions and responsibilities pursuant to the law of 20 December 2002 on undertakings for collective investment. The Custodian Bank keeps at all times the Fund's assets segregated from the assets of other co-managed entities and is therefore able at all times to identify the assets of the Fund and of each Sub-Fund. Since co-managed entities may have investment policies, which are not strictly identical to the investment policy of a Sub-Fund, it is possible that, as a result, the common policy implemented may be more restrictive than that of that Sub-Fund.

The Management Company may decide at any time and without notice, to terminate the co-management arrangement.

#### 4. Custody, Transfer Agent and Administration Fees

An all-inclusive annual fee up to 0.15% of the Fund's average daily net assets is paid in relation to custody, transfer agency, registrar and administration services provided by Citibank International plc (Luxembourg Branch). The fee is accrued daily and paid monthly in arrears.

#### 5. Management Fees

A management fee is charged and is allocated to the Management Company, the Investment Managers and Investment Advisors as well as the Intermediaries.

The fee is accrued daily, and is paid monthly in arrears at the applicable annual rates set out below calculated on the basis of the average daily net assets attributable to each class of each Sub-Fund during the relevant month.

| Sub-Funds                               | Class A Units | Class B Units | Class C Units | Class M Units | Class I Units |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Equity Series</b>                    |               |               |               |               |               |
| Legg Mason Global Equity Fund           | 1.42%         | 1.42%         | 2.17%         | –             | –             |
| Legg Mason US Growth and Value Fund     | 1.42%         | 1.42%         | 2.17%         | –             | 0.65%         |
| Legg Mason US Large Cap Growth Fund     | 1.42%         | 1.42%         | 2.17%         | –             | –             |
| Legg Mason US Aggressive Growth Fund    | 1.42%         | 1.42%         | 2.17%         | –             | 0.65%         |
| Legg Mason US Fundamental Value Fund    | 1.42%         | 1.42%         | 2.17%         | –             | 0.40%         |
| Legg Mason Pan-Europe Equity Fund       | 1.42%         | 1.42%         | 2.17%         | –             | 0.40%         |
| Legg Mason Japan Equity Fund            | 1.42%         | 1.42%         | 2.17%         | –             | 0.50%         |
| Legg Mason Asia Pacific (ex Japan) Fund | 1.62%         | 1.62%         | 2.37%         | –             | 0.50%         |
| Legg Mason China Equity Fund            | 1.67%         | 1.67%         | 2.47%         | –             | –             |
| Legg Mason Emerging Markets Equity Fund | 1.92%         | 1.92%         | 2.67%         | –             | 0.80%         |
| <b>Bond Series</b>                      |               |               |               |               |               |
| Legg Mason US\$ Core Bond Fund          | 0.82%         | 0.82%         | 1.42%         | –             | –             |
| Legg Mason US\$ High Yield Bond Fund    | 0.82%         | 0.82%         | 1.42%         | –             | 0.55%         |
| Legg Mason Euro Core Plus Bond Fund     | 0.82%         | 0.82%         | 1.42%         | –             | –             |

#### 6. Dilution Levy Fee

The Management Company may apply a charge of up to 1% of the Net Asset Value of Units purchased / redeemed when considered appropriate in order to reflect any fiscal charges and dealing cost incurred on the purchase / realisation of assets for the Sub-Fund and with the aim of protecting the existing / remaining Unitholders from carrying said charges and cost. The amount of the fee so collected shall be retained in the relevant Sub-Fund.

This amount is disclosed in the Statement of Operations and Changes in Net Assets under the heading "Payments for redemptions" / "Proceeds from subscriptions".

#### 7. Taxation

The Fund is an investment fund registered in Luxembourg and is, as a result, exempt from tax except for subscription tax. A subscription tax ("Taxe d'abonnement") of 0.05% per annum, payable quarterly, is imposed on the net assets of the Fund by the Luxembourg State, calculated quarterly on the basis of the net asset value of each Sub-Fund on the last day of the quarter. For the Classes I and M a reduced tax of 0.01% per annum will apply.

#### 8. Forward Foreign Exchange Contracts

As of 30 September 2009, the following Sub-Funds are committed to outstanding forward foreign exchange contracts as follows:

##### Legg Mason Global Equity Fund (USD)

| Currency Purchased | Amount Purchased | Currency Sold | Amount Sold | Maturity Date | Net unrealised appreciation/ (depreciation) in Sub-Fund's Currency |
|--------------------|------------------|---------------|-------------|---------------|--|
| EUR                | 11,994           | USD           | 17,540      | 1-Oct-09      | (98)   |
| <b>Total</b>       |                  |               |             |               | <b>(98)</b>  |

## Legg Mason Euro Core Plus Bond Fund (EUR)

| Currency Purchased | Amount Purchased | Currency Sold | Amount Sold | Maturity Date | Net unrealised appreciation/ (depreciation) in Sub-Fund's Currency |
|--------------------|------------------|---------------|-------------|---------------|--|
| EUR                | 2,820,359        | GBP           | 2,421,690   | 19-Nov-09     | 167,224  |
| EUR                | 1,694,917        | NOK           | 14,669,078  | 19-Nov-09     | (22,817)   |
| EUR                | 1,307,908        | PLN           | 5,467,484   | 19-Nov-09     | 20,834   |
| EUR                | 4,703,315        | USD           | 6,752,791   | 19-Nov-09     | 60,027   |
| GBP                | 1,529,501        | EUR           | 1,739,173   | 19-Nov-09     | (63,481)   |
| NOK                | 5,220,000        | EUR           | 605,344     | 19-Nov-09     | 5,900  |
| PLN                | 430,000          | EUR           | 102,540     | 19-Nov-09     | (1,309)  |
| USD                | 3,714,524        | EUR           | 2,589,927   | 19-Nov-09     | (35,782)   |
| <b>Total</b>       |                  |               |             |               | <b>130,596</b>   |

## 9. Futures Contracts

As of 30 September 2009, the Sub-Funds have the following open positions:

## Legg Mason US\$ Core Bond Fund (USD)

| Description                       | Maturity Date | Future's Currency | Number of Contracts P/(S) | Commitment (in Future's Currency) | Commitment (in Sub-Fund's Currency) | Net unrealised appreciation/ (depreciation) in Sub-Fund's Currency |
|-----------------------------------|---------------|-------------------|---------------------------|-----------------------------------|-------------------------------------|--|
| 20 Year US Long Bond Future (CBT) | 21-Dec-09     | USD               | 6                         | 729,750                           | 729,750                             | 16,813   |
| US 5 Year Note Future (CBT)       | 31-Dec-09     | USD               | 28                        | 3,246,469                         | 3,246,469                           | 42,828   |
| 90 Day Eurodollar Future (CME)    | 13-Sep-10     | USD               | 14                        | 3,451,000                         | 3,451,000                           | 26,425   |
| 90 Day Eurodollar Future (CME)    | 14-Mar-11     | USD               | 8                         | 1,957,500                         | 1,957,500                           | (1,988)  |
| <b>Total</b>                      |               |                   |                           |                                   |                                     | <b>84,078</b>  |

## Legg Mason Euro Core Plus Bond Fund (EUR)

| Description                     | Maturity Date | Future's Currency | Number of Contracts P/(S) | Commitment (in Future's Currency) | Commitment (in Sub-Fund's Currency) | Net unrealised appreciation/ (depreciation) in Sub-Fund's Currency |
|---------------------------------|---------------|-------------------|---------------------------|-----------------------------------|-------------------------------------|--|
| 5 Year Euro-Bobl Future (EUX)   | 8-Dec-09      | EUR               | 11                        | 1,270,610                         | 1,270,610                           | 3,520  |
| 2 Year Euro-Schatz Future (EUX) | 8-Dec-09      | EUR               | (14)                      | (1,514,520)                       | (1,514,520)                         | (1,050)  |
| 10 Year Euro-Bund Future (EUX)  | 8-Dec-09      | EUR               | (6)                       | (730,440)                         | (730,440)                           | (9,960)  |
| 10 Year Long Gilt Future (LIF)  | 29-Dec-09     | GBP               | (2)                       | (236,600)                         | (258,881)                           | (526)  |
| <b>Total</b>                    |               |                   |                           |                                   |                                     | <b>(8,016)</b>   |

## 10. Option Contracts

As of 30 September 2009, the Sub-Funds have the following outstanding option contracts:

## Legg Mason US\$ Core Bond Fund (USD)

| Description                           | Maturity Date | Option's Currency | Number of Contracts P/(S) | Commitment (in Sub-Fund's Currency) | Market Value (in Sub-Fund's Currency) | Net unrealised appreciation/ (depreciation) in Sub-Fund's Currency |
|---------------------------------------|---------------|-------------------|---------------------------|-------------------------------------|---------------------------------------|--|
| 1 Year Eurodollar Option (CME)        | 13-Nov-09     | USD               | (7)                       | (1,715,000)                         | (3,062)                               | (1,038)  |
| 1 Year Eurodollar Option (CME)        | 13-Nov-09     | USD               | (7)                       | (1,717,188)                         | (2,363)                               | 688  |
| 10 Year US Treasury Note Option (CBT) | 20-Nov-09     | USD               | 4                         | 0                                   | 2,750                                 | (1,781)  |
| 1 Year Eurodollar Option (CME)        | 11-Dec-09     | USD               | (2)                       | (488,750)                           | (625)                                 | 375  |
| <b>Total</b>                          |               |                   |                           |                                     | <b>(3,300)</b>                        | <b>(1,756)</b>   |

**Legg Mason Euro Core Plus Bond Fund (EUR)**

| Description                   | Maturity Date | Option's Currency | Number of Contracts P/(S) | Commitment (in Sub-Fund's Currency) | Market Value (in Sub-Fund's Currency) | Net unrealised appreciation/(depreciation) in Sub-Fund's Currency |
|-------------------------------|---------------|-------------------|---------------------------|-------------------------------------|---------------------------------------|---|
| 5 Year Euro-Bobl Option (EUX) | 30-Dec-09     | EUR               | 32                        | –                                   | 2,560                                 | (15,360)  |
| <b>Total</b>                  |               |                   |                           |                                     | <b>2,560</b>                          | <b>(15,360)</b>   |

**11. Swap Agreements**

As of 30 September 2009, the Sub-Funds have the following outstanding swap agreements:

**Legg Mason Euro Core Plus Bond Fund (EUR)**

| Contract Type             | Maturity Date | Interest Rate | Swap's Currency | Notional  | Net unrealised appreciation/(depreciation) in Sub-Fund's Currency |
|---------------------------|---------------|---------------|-----------------|-----------|---|
| Credit Default Swap (CDS) | 20-Sep-14     | 1.00%         | USD             | 1,075,000 | 9,903   |
| Credit Default Swap (CDS) | 20-Dec-14     | 1.00%         | EUR             | 407,000   | (2,987)   |
| Credit Default Swap (CDS) | 20-Dec-14     | 1.00%         | EUR             | 798,000   | (5,856)   |
| Credit Default Swap (CDS) | 20-Dec-14     | 1.00%         | EUR             | 1,179,000 | 14,392  |
| Credit Default Swap (CDS) | 20-Dec-14     | 5.00%         | EUR             | 1,216,000 | 31,187  |
| <b>Total</b>              |               |               |                 |           | <b>46,639</b>   |

**12. Other Commitments on Derivatives**

As of 30 September 2009, the Fund has no other outstanding commitments on derivatives.

**13. Changes in the Investment Portfolio**

Changes in the investment portfolio during the reporting year are available to the Unitholders at the registered offices of the Management Company and the Custodian Bank.

**14. Dividend Distributions**

The Management Company may declare distributions periodically from net investment income and realised gains or losses attributable to each Sub-Fund.

During the reporting period from 1 April 2009 to 30 September 2009, the Fund has recorded the following dividends (on Class A Distribution):

| <i>Ex-Date: 23 September 2009</i>       |          | <i>Payment Date: 25 September 2009</i> |  |
|---|----------|--|--|
| Sub-Funds                               | Currency | Amount per Unit                        |  |
| Legg Mason Global Equity Fund           | EUR      | 1.2858                                 |  |
| Legg Mason US Growth & Value Fund       | EUR      | 0.1564                                 |  |
| Legg Mason US Large Cap Growth Fund     | EUR      | 0.4887                                 |  |
| Legg Mason US Aggressive Growth Fund    | EUR      | 0.2156                                 |  |
| Legg Mason US Fundamental Value Fund    | EUR      | 1.1409                                 |  |
| Legg Mason Pan-Europe Equity Fund       | EUR      | 3.6059                                 |  |
| Legg Mason Asia Pacific (ex Japan) Fund | EUR      | 5.3764                                 |  |
| Legg Mason Emerging Markets Equity Fund | EUR      | 0.8842                                 |  |
| Legg Mason Euro Core Plus Bond Fund     | EUR      | 7.5439                                 |  |

Legg Mason US\$ High Yield Bond Fund Ordinary M Share, during the year from 1 April 2009 to 30 September 2009, paid a daily dividend for a total amount of USD 375,758.

**15. Important Events**

The Board of Directors (the "Board") of Legg Mason Investments (Luxembourg) S.A., the management company of the Fund, decided to merge the following absorbed Sub-Funds into the absorbing Sub-Funds in conformity with Article 17 of the Fund's management regulations. In consideration of the continued trend of redemptions, the current market climate and the anticipated lack of sales growth, the Board decided it was in the best interest of the remaining unitholders to merge the absorbed Sub-Funds into the absorbing Sub-Funds. The mergers took place on 29 May 2009.

**Absorbed Sub-Funds – being Sub-Funds of Legg Mason Global Funds FCP (Luxembourg)**

*Merger of Legg Mason Europe (ex UK) Equity Fund  
Merger of Legg Mason Asia (ex Japan) Analyst Fund*

**Absorbing Sub-Funds – being Sub-Funds of Legg Mason Global Funds FCP (Luxembourg)**

*into Legg Mason Pan-Europe Equity Fund  
into Legg Mason Asia Pacific (ex Japan) Fund*

The Board also decided, in conformity with Article 17 of the Fund's management regulations, to terminate the following Sub-Funds: Legg Mason Euro Limited Duration Bond Fund, Legg Mason Global Bond Fund and Legg Mason Global (Unhedged) Bond Fund (the "Sub-Funds") as they were experiencing a continuing decline in assets, which contributed to an increase in the total expense ratio of the Sub-Funds. These declines were a result of the significant falls in global financial markets and continuing trend of redemptions. As such, the Board, with the consent of the Citibank International plc (Luxembourg Branch) (the "Fund's Custodian") decided it was in the best interest of the remaining unitholders to liquidate the Sub-Funds in order to protect them against the adverse effects of a continued decline in assets. The effective date of liquidation of the Legg Mason Euro Limited Duration Bond Fund and the Legg Mason Global (Unhedged) Bond Fund was 15 May 2009 and the effective date of liquidation of the Legg Mason Global Bond Fund was 29 May 2009.

In consideration of the level of assets under management in the Legg Mason Global Corporate Bond Fund (the Sub-Fund), the Board, with the consent of the Citibank International plc (Luxembourg Branch) (the "Fund's Custodian") has decided that it was in the best interests of the unitholders to terminate the Sub-Fund. The effective date of liquidation of the Legg Mason Global Corporate Bond Fund was 14 August 2009.

#### 16. Subsequent Events

The Board of Directors (the "Board") of Legg Mason Investments (Luxembourg) S.A., the management company of the Fund, decided in conformity with Article 17 of the Fund's management regulations to terminate Legg Mason US\$ High Yield Bond Fund (the "Sub-Fund") as it received redemption requests representing over half of the Net Asset Value of the Sub-Fund. The Board agreed that the remaining amount of total assets was insufficient for the Sub-Fund to be managed in an efficient manner. Further, the Board also agreed that the acceptance of the redemption requests would further prejudice the remaining unitholders. The effective date of liquidation of the Sub-Fund was 14 October 2009.

There is a delay in realising two securities representing less than 2% of the redemption proceeds. One of the securities is subject to a regulatory restriction and can only be realised when the regulatory authority lifts the restriction. The second security is currently trading at a discount due to an ongoing court proceeding involving the company. The manager is, in the best interests of unitholders, waiting for resolution of the court proceeding before selling the securities so as to achieve the best price possible.

The final redemptions may be processed as soon as, and if, the remaining securities are realised. Final redemption proceeds will only be paid where it is cost effective to do so.

Payment of the final liquidation tranche may be made as soon as, and if, the remaining securities are realised. Final redemption proceeds will only be paid where it is cost effective to do so.

The Board also decided, in conformity with Article 17 of the Fund's management regulations, to terminate Legg Mason China Equity Fund as it was experiencing a continuing decline in assets, which contributed to an increase in the total expense ratio of the Sub-Fund. This decline was a result of the significant falls in global financial markets and continuing trend of redemptions. As such, the Board, with the consent of the Citibank International plc (Luxembourg Branch) (the "Fund's custodian") decided it was in the best interest of the remaining unitholders to liquidate the Sub-Fund in order to protect them against the adverse effects of a continued decline in assets. The effective date of liquidation of the Legg Mason China Equity Fund was 16 November 2009.

A new prospectus has been issued on 30 November 2009.

Mr. Brian Collins has been appointed as additional Director of Legg Mason Investments (Luxembourg) S.A. on 6 November 2009.



**LEGG MASON**  
GLOBAL ASSET MANAGEMENT