



Fund Update

For the quarter ended 31 March 2018

- Legg Mason Investments Funds
- Legg Mason Brandywine Global Opportunistic Fixed Income Fund

This fund update was first made publicly available on: 30 April 2018

What is the purpose of this update?

This document tells you how the Legg Mason Brandywine Global Opportunistic Fixed Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

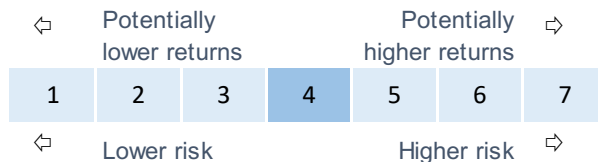
Objective: to earn a return before fees and taxes in excess of the FTSE World Government Bond Index hedged into New Zealand dollars over rolling five-year periods.

Strategy: the fund provides exposure to a diversified portfolio of international fixed income securities, derivatives and cash through an offshore Underlying Fund (also known as the Legg Mason Brandywine Global Opportunistic Fixed Income Fund). The fund targets a position of being fully hedged back to New Zealand dollars. Due to active management by the manager of the Underlying Fund, there will generally be some foreign currency exposure.

Total value of the fund	\$NZ 246,199,402
The date the fund started	27 March 2018

What are the risks of investing?

Risk indicator for the Legg Mason Brandywine Global Opportunistic Fixed Income Fund.¹



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on underlying fund returns data for the 5 years to 31 March 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	3.54%

The market index return is the FTSE World Government Bond Index hedged into New Zealand dollars. Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

What fees are investors charged?

Investors in the Legg Mason Brandywine Global Opportunistic Fixed Income Fund are charged fund charges which are:

	% of net asset value
Total fund charges	0.82%
Which are made up of -	
Total management and administration charges	0.82%
Including -	
Manager's basic fee (excluding GST)	0.58%
Other management and administration charges (including GST)	0.24%

The 'other management and administration charges' has been estimated. See Note 2 at the end of this fund update for more information about this estimate.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Legg Mason Investments Funds on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor³

Small differences in fees and charges can have a big impact on your investment over the long term.

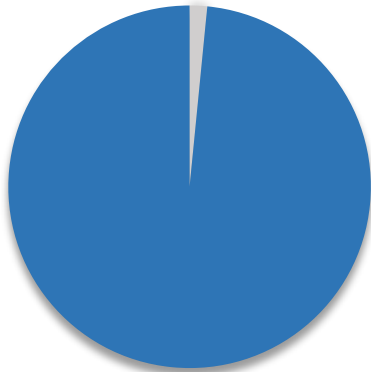
Anthony had \$10,000 in the fund when the fund received its first contribution, on 27 March 2018, and did not make any further contributions. At the end of the period to 31 March 2018 Anthony received a return after fund charges were deducted of \$41 (that is 0.41% of his initial \$10,000). This gives Anthony a total return after tax of \$30 for the period.

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix

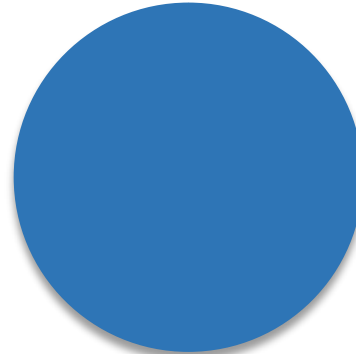
■ Cash and cash equivalents 1.56%



■ International fixed interest 98.44%

Target investment mix

International fixed interest 100%



Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
1	UNITED ST FRN 07/31/19 1.8279%	9.53%	International fixed interest	US	AAA
2	UK TSY 1.25% 07/22/18	5.78%	International fixed interest	GB	AA
3	BRAZIL 10% 01/01/27	4.84%	International fixed interest	BR	BB-
4	MEXICO ST 7.75% 11/13/42	4.83%	International fixed interest	MX	BBB+
5	S AFRICA 8.75% 02/28/48	3.48%	International fixed interest	ZA	BB+
6	US TREASURY FRN 04/19 VAR 1.8379% Mat 04/30/2019	3.39%	International fixed interest	US	AAA
7	MEX BONOS DESARR FIX RT 8.5000% Mat 11/18/2038	3.30%	International fixed interest	MX	BBB+
8	MEXICO ST 8.5% 05/31/29	2.95%	International fixed interest	MX	BBB+
9	INDONESIA 9% 03/15/29	2.92%	International fixed interest	ID	BBB
10	GOLDMAN SACHS GROUP INC SR UNS 2.5562% Mat 02/23/2023	2.82%	International fixed interest	US	A

The top 10 investments make up 43.84% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Anthony Edmonds	Managing Director, Implemented Investment Solutions Limited	7 years 5 months	Financial Services Consultant	1 years 2 months
Andy Sowerby	Managing Director, Legg Mason Australia	1 years 9 months	Executive Director, Legg Mason Australia	11 years 6 months
Rino Lupo	Director, Head of Legal and Operations, Legg Mason Australia	15 years 5 months	Compliance Manager, Legg Mason Australia	2 years 0 months

Further information

You can also obtain this information, the PDS for the Legg Mason Investments Funds, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

- ¹ The Fund invests in another fund ('underlying fund') which has a 5-year return history. Underlying fund returns have been used to determine the risk indicator for the 5-year period to 31 March 2018 as the Fund has not been operating for the required five years and the underlying fund has a higher risk indicator than the market index. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.
- ² We have assumed there are no extraordinary expenses such as costs of any litigation or unitholder meetings.
- ³ As the fund has not existed for a full year, this calculation is based on the returns from the date of the first fund contribution (27 March 2018).