

WESTERN ASSET LIQUIDITY FUNDS PLC

Prospectus
31 May 2017

An investment company with variable capital constituted as an umbrella fund with segregated liability between its sub-funds under the laws of Ireland.

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IMPORTANT INFORMATION

THIS PROSPECTUS IS AN IMPORTANT DOCUMENT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

This Prospectus

This Prospectus describes Western Asset Liquidity Funds plc (the “Company”), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a separate investment portfolio of assets (“Fund” or “Funds”) and with segregated liability between the Funds. Shares of any Fund may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements, including different total expense ratios. The following Funds have been approved by the Central Bank: the Western Asset Euro Liquidity Fund, the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund, of which only the Western Asset US Dollar Liquidity Fund is currently open to investors.

The Funds have different investment objectives and invest in different types of transferable securities. Each Fund will invest in accordance with the investment objectives and policies applicable to such Fund as specified in the Relevant Supplement. The Relevant Supplement should be read in conjunction with and construed as one document with this Prospectus. As the Company is an umbrella fund with segregated liability between its Funds, pursuant to Irish law, the Company should not be liable as a whole to third parties for liabilities which are attributable to individual Funds. Investors should note the risk factor “Umbrella structure of the Company and cross-contamination risk” under “Investment Risks” below.

The Directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of such information. The Directors accept responsibility accordingly.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the latest published annual report or the latest published semi-annual report, if published after the latest annual report. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Company.

Unless otherwise stated herein, capitalised terms used in this Prospectus shall bear the meaning attributed to them in the “Definitions” section of this Prospectus. References to the singular shall include the plural and vice versa.

Investor Responsibility

Prospective investors should review this Prospectus carefully and in its entirety and consult with legal, tax and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and any Relevant Supplement.

The Shares have not been registered under the United States Securities Act of 1933 (as amended) (the “1933 Act”) and may not, except in a transaction which does not violate U.S. securities laws and at the discretion of the Directors, be directly or indirectly offered or sold in the United States or to any United States Person. The Directors may delegate to the Master Distributor the exercise of the discretion outlined in the preceding sentence. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) (the “1940 Act”). The Directors may arrange the offer and sale of a portion of the Shares outside the United States to a limited number of accredited investors and institutional investors which are United States Persons in transactions which are exempt from the registration requirements of the 1933 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission, if any non-United States organised fund has more than 100 United States resident owners of its shares, it may become subject to registration under the 1940 Act. As a result, the Directors will not knowingly permit the number of Shareholders that are United States Persons or are otherwise deemed to be United States resident beneficial owners of Shares to exceed 100.

Central Bank of Ireland Authorisation – UCITS

The Company is authorised by the Central Bank of Ireland (the “Central Bank”) as a “UCITS” under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by EC Council Directive 2014/91/EU (as amended, consolidated or substituted from time to time). For the purposes of the Committee of European Securities Regulators Guidelines on a common definition of European money market funds dated 19 May 2010 as implemented by the Central Bank Regulations, each of the Funds is a Short-Term Money Market Fund.

The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

UK Recognised Collective Investment Scheme

The Company is a recognised collective investment scheme under Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom (the “FSMA”). The rights of Shareholders in the Company may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Distribution and Selling Restrictions

Any information given or representations made by any dealer, salesman or other person and (in any such case) not contained in this Prospectus should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Prospectus and/or the Relevant Supplement nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in such document is correct as of any time subsequent to the date of this Prospectus.

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Articles give powers to the Directors to impose restrictions on the holding of Shares by, (and consequently to redeem Shares held by) or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary for the collection of Irish tax to redeem and cancel Shares held by a person who is or is deemed to be or is acting on behalf of an Irish Resident who is not an Exempt Investor on the occurrence of a chargeable event for Irish taxation purposes.

Japan

The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Reliance on this Prospectus

Shares are offered only on the basis of the information contained in this Prospectus, the Relevant Supplement, the latest audited annual accounts and any subsequent half-yearly report of the Company.

No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus, the Relevant Supplement and in any annual report and/or subsequent half-yearly for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or any entity appointed by the Company. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date of this Prospectus and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date of this Prospectus.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

Risks

Investment in the Company whose Funds invest in Money Market Instruments and short term debt instruments is subject to normal market fluctuations and other risks inherent in investing in Money Market Instruments and short term debt instruments which comply with the criteria for money market instruments as set out in the UCITS Directive. **The value of such instruments and the income from them and therefore the value of and the income from the Shares relating to each Fund may go down as well as up, and investors may not get back the amount invested.** Investment in the Shares may not be suitable for all investors and should not be considered a complete investment programme. Investors should consider carefully their investment requirements and the "Investment Risks" section of this Prospectus, and the Relevant Supplement, before selecting any investment.

An investment in the Company is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

In addition to seeking to produce a return to investors in line with money market rates the investment objectives of each of the Funds is to aim to maintain capital value. There is no guarantee that capital will be maintained and the principal invested is capable of fluctuation.

The profile of a typical investor in each of the Funds is an investor seeking:

- liquidity;
- capital value maintenance; and
- returns in line with money market rates.

DIRECTORY

Western Asset Liquidity Funds plc

Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Directors

Mr. Joseph Carrier – *resident in the United States of America*
Mr. Brian Collins – *resident in Ireland*
Ms. Fionnnuala Doris – *resident in Ireland*
Mr. Joseph Keane – *resident in Ireland*
Mr. Joseph LaRocque – *resident in the United States of America*
Ms. Jane Trust – *resident in the United States of America*

Company Secretary

Bradwell Limited
10 Earlsfort Terrace
Dublin 2
Ireland

Investment Manager

Western Asset Management Company
385 East Colorado Boulevard
Pasadena
California 91101
United States of America

Sub-Investment Manager

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London, EC2A 2EN
United Kingdom

Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Depository

BNY Mellon Trust Company (Ireland) Limited
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Administrator, Transfer Agent and Registrar

BNY Mellon Fund Services (Ireland) Designated Activity Company
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Legal Advisers

Arthur Cox
10 Earlsfort Terrace
Dublin 2
Ireland

Shareholder Servicing Agent

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London EC2A 2EN
United Kingdom

Master Distributor

Legg Mason Investor Services LLC
100 International Drive
Baltimore, MD 21202-1099
United States of America

Distributors

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London EC2A 2EN
United Kingdom

Legg Mason Investments (Europe) Limited
201 Bishopsgate
London EC2M 3AB
United Kingdom

DEFINITIONS

1933 Act the U.S. Securities Act of 1933, as amended.

1940 Act the U.S. Investment Company Act of 1940, as amended.

Administrator BNY Mellon Fund Services (Ireland) Designated Activity Company (as transferred from BNY Mellon Investment Servicing (International) Limited pursuant to a merger by operation of law on 1 July 2016) or any successor administrator duly appointed in accordance with the requirements of the Central Bank.

Articles the Memorandum and Articles of Association of the Company for the time being in force and as may be modified from time to time.

Base Currency in relation to any class of Shares such currency as is specified in the Relevant Supplement.

Business Day a day on which banks are open for business in such jurisdictions and cities specified in the Relevant Supplement or such other day(s) as the Directors may determine.

Central Bank the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company.

Central Bank Regulations the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015, as amended or any further amendment thereto for the time being in force and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time.

CIS a collective investment scheme, which may be a UCITS or non-UCITS.

Class Expenses any expenses attributable to a specific class of Shares including legal fees, marketing expenses and the expenses of registering a class of Shares in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Relevant Supplement.

Companies Act the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force.

Company Western Asset Liquidity Funds plc.

Connected Persons the persons defined as such in the section headed "Conflicts of Interest".

Dealing Day in respect of each class of Shares such Business Day or Business Days as are specified as a Dealing Day in the Relevant Supplement, provided that there shall be at least one Dealing Day each fortnight for each Fund.

Dealing Deadline means in relation to applications for subscription or redemption of Shares in a Fund, the date and time specified in the Relevant Supplement.

Depository BNY Mellon Trust Company (Ireland) Limited or any successor depository duly appointed in accordance with the requirements of the Central Bank.

Distributor(s) such entity or entities that may be appointed by the Master Distributor.

Duties and Charges all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, any transaction fees payable to the Depository or its delegates or agents and other duties and charges whether in connection with the original acquisition or increase in assets of the Company or the creation, issue, sale, exchange or purchase of shares or the sale or purchase of investments by the Company in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any

commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of the Fund concerned.

Emerging Markets those countries included in the JP Morgan Emerging Market Bond Index Global or categorised by the World Bank, in its annual categorisation, as middle or low-income and/or such other countries as the Investment Manager or the Sub-Investment Manager, in its absolute discretion, considers to be emerging markets in relation to a Fund.

ESMA Guidelines ESMA's Guidelines of 19 May 2010 on a Common Definition of European Money Market Funds, as such may be amended, supplemented or replaced from time to time.

EU Member State a member state of the European Union from time to time.

Euro Bank Holiday such days, in addition to Saturdays and Sundays, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system are closed as determined by the Governing Council of the European Central Bank from time to time. Those days at the date of this Prospectus are New Year's Day, Good Friday, Easter Monday, the European Labour Day holiday, Christmas Day and 26th December.

FATCA or Foreign Account Tax Compliance Act sections 1471 to 1474 of the U.S. Internal Revenue Code 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these Sections of the Code.

FATCA Regulations the regulations promulgated from time to time by the U.S. Department of Treasury and administrative guidance issued by the U.S. Internal Revenue Service with respect to FATCA.

FDI financial derivative instrument.

Financial Account a "Financial Account" as such term is used in the Intergovernmental Agreement in relation to FATCA entered into between the governments of the United States and the Republic of Ireland.

Financial Institution a "Financial Institution" as such term is defined in FATCA.

Fund(s) a portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund as specified in the Relevant Supplement.

Investment Manager Western Asset Management Company, the duly appointed investment manager or any successor investment manager duly appointed in accordance with the requirements of the Central Bank.

Investor Money Regulations the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Irish Resident unless otherwise determined by the Directors, any person who is Ordinarily Resident in Ireland or Resident in Ireland, as defined in the "Taxation" section of this Prospectus.

Irish Revenue Commissioners the Irish authority responsible for taxation.

Master Distributor Legg Mason Investor Services LLC or any successor master distributor duly appointed in accordance with the requirements of the Central Bank.

Minimum Initial Subscription means such amount in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares in a Fund as specified in the Relevant Supplement or such lower amount as the Directors may determine either generally or in a particular case.

Money Market Instrument instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

Net Asset Value the net asset value of a Fund calculated as described in the “Determination of Net Asset Value” section of this Prospectus.

Net Asset Value per Share in relation to any Fund, the Net Asset Value divided by the number of Shares in the relevant Fund in issue or deemed to be in issue in respect of that Fund as of the relevant Valuation Point and, in relation to any class of Shares, subject to such adjustments, if any, as may be required in relation to such class.

Paying Agents agents which may be appointed by the Company to provide paying and representative services in particular jurisdictions.

Prospectus this document and any Relevant Supplement designed to be read and construed together with and to form part of this document.

Recognised Market any stock exchange or market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State and that is listed or referred in the Articles in accordance with the requirements of the Central Bank which does not issue a list of approved markets. The Recognised Markets in which each Fund may invest will be listed in Appendix I.

Recognised Rating Agency each of (i) Standard & Poor's; (ii) Moody's; and (iii) Fitch and/or any other rating agency designated as a “Recognised Rating Agency” by the Investment Manager or Sub-Investment Manager from time to time.

Relevant Supplement in relation to a Fund, the supplemental document containing specific information to this Prospectus published in respect of that Fund.

SEC the Securities and Exchange Commission of the U.S.

Securities Financing Transaction any of the following: a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction.

Securities Financing Transactions Regulation Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

Settlement Date in respect of receipt of subscription monies or dispatch of redemption monies, the date specified in the Relevant Supplement for the relevant Fund. The Settlement Date will be no more than 10 Business Days from a receipt of a request for redemption.

Share or Shares a share or shares of whatsoever series or class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Fund as described in this Prospectus and the Relevant Supplement.

Shareholder a person registered in the share register of members of the Company as a holder of Shares.

Specified U.S. Person a U.S. Taxpayer that is not an Excluded U.S. Taxpayer (as such terms are defined in Appendix III).

Sub-Distributor a dealer, sub-distributor or other financial intermediary appointed or otherwise authorised by a Distributor for the marketing, distribution and sale of Shares of one or more of the Funds.

Sub-Investment Manager Western Asset Management Company Limited, the duly appointed sub-investment manager or any successor sub-investment manager duly appointed in accordance with the requirements of the Central Bank.

Subscriber Shares the initial issued share capital of 30,000 subscriber shares of no par value each and initially designated as “Subscriber Shares” and which are held by Legg Mason and its nominees but which do not entitle the holders to participate in the profits of the Company attributable to any Fund.

Subscriber Shareholder or **Subscriber Shareholders** a person/persons registered in the register of members of the Company as a holder or holders of Subscriber Shares.

UCITS an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the UCITS Directive.

UCITS Directive Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended by EC Council Directive 2014/91/EU (as amended, consolidated or substituted from time to time)).

UCITS Regulations European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and any amendment thereto or replacement thereof for the time being in force.

Umbrella Cash Account any single umbrella cash account in the name of the Company.

U.S. or **United States** the United States of America, its territories and possessions, any State of the United States, the District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).

United States Person or **U.S. Person** has the meaning set out in Appendix II

U.S. Reportable Account a Financial Account held by U.S. Reportable Person.

U.S. Reportable Person has the meaning provided in Appendix III.

USD United States Dollars.

Valuation Point the time at which the Net Asset Value of a Fund is determined, which will be at such time on a Dealing Day as the Directors may from time to time determine in their absolute discretion provided always that such Valuation Point is after the Dealing Deadline for the Fund.

Website the website on which the annual report and the half-yearly report are published as specified in the Relevant Supplement.

Weighted Average Life ("WAL") the weighted average of the remaining life (maturity) of each security held in a money market fund, meaning the time until the principal is repaid on full (disregarding interest and not discounting). Contrary to what is done in the calculation of the Weighted Average Maturity, the calculation of the WAL for floating rate securities and structured financial instruments does not permit the use of interest rate reset dates and instead only uses a security's stated final maturity. WAL is used to measure credit risk, as the longer the reimbursement of principal is postponed, the higher is the credit risk. WAL is also used to limit liquidity risk.

Weighted Average Maturity ("WAM") a measure of the average length of time to maturity of all of the underlying securities in a money market fund weighted to reflect the relative holdings in each instrument assuming the maturity of a floating rate instrument is the time remaining until the next interest rate reset to the money market rate, rather than the time remaining before the principal value of the security must be repaid. In practice WAM is used to measure the sensitivity of a money market fund to changing money market interest rates.

THE COMPANY

The Company is an investment company with variable capital incorporated in Ireland on 19 February 1996 under registration number 244870 and authorised by the Central Bank as a UCITS pursuant to the UCITS Directive. The object of the Company, as set out in Clause 2 of the Articles, is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk spreading in accordance with UCITS Directive. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles, copies of which are available as described in the "Documents for inspection" section of this Prospectus.

The Company has been structured as an umbrella fund with segregated liability between its Funds in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment

objective and policies applicable to such Fund as disclosed in the Relevant Supplement, which should be read in conjunction with and construed as supplemental to this Prospectus.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each series of Shares in the following manner:

- (a) the Company will keep separate books and records in which all transactions relating to the relevant Fund shall be recorded. The proceeds from the allotment and issue of each series of Shares will be applied to the Fund established for that series of Shares, and the investments and liabilities and income and expenditure attributable to them will be applied to such Fund;
- (b) any asset derived from another asset in a Fund will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;
- (c) in the event of any asset (not being attributable to Subscriber Shares) which the Directors do not consider as attributable to a particular Fund or Funds, the Directors shall, with the consent of the Depositary, allocate such assets between Funds in such manner and on such basis as they in their discretion, deem fair and equitable and the Directors have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis in respect of the assets not previously allocated;
- (d) liabilities will be allocated to the Fund or Funds to which they relate or if such liability is not readily attributable to any particular Fund the Directors will have discretion to determine, with the consent of the Depositary, the basis upon which any liability will be allocated between Funds and the Directors may at any time and from time to time, with the approval of the Depositary, vary such basis;
- (e) the Directors may, with the consent of the Depositary, transfer any assets to and from Fund or Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- (f) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate.

Shares of any particular series may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements, including different total expense ratios, provided that the creation of any Share Class is effected in accordance with the requirements of the Central Bank. The Company may adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular class of Shares. Any such standards shall be specified in the Relevant Supplement.

The Share Capital

The authorised share capital of the Company is EUR 38,092.14 Shares divided into 30,000 Subscriber Shares of EUR 1.269738 each and 500,000,000,000 Shares of no par value initially designated as unclassified redeemable participating shares which have subsequently been classified as Class D, S, C, P & WA Shares. The Directors are authorised to issue the Shares on such terms as they think fit.

The Subscriber Shares do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but not otherwise to participate in the assets of the Company. There are no pre-emption rights attaching to the Shares.

The Company may, from time to time by ordinary resolution, increase its capital, consolidate and divide its Shares or any of them into Shares of larger amounts than its existing Shares and subdivide its Shares or any of them into Shares of smaller amounts or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

Voting Rights

Subject to any special rights or restrictions for the time being attached to any class of Shares: (a) on a show of hands each member holding participating Shares, who is present in person or by proxy shall have one vote and the member or members holding Subscriber Shares present in person or by proxy shall have one vote in respect of all Subscriber

Shares in issue; (b) on a poll every member present in person or by proxy shall be entitled to one vote in respect of his holding of Subscriber Shares and to one vote in respect of each whole participating Share held by him; and (c) on a poll of all the holders of Shares of more than one class for the time being the voting rights of the holders shall be adjusted in a manner determined by the Directors so as to reflect the latest calculated redemption price per Share of each of the classes in question.

Variation of Shareholders' Rights

Under the Articles, the rights attached to any class of Share may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three fourths of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. The provisions of the Articles relating to general meetings shall apply to every separate general meeting except that the necessary quorum at such a meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question or, at an adjourned meeting, one person holding Shares of the class in question or his proxy. Any holder of Shares of the class in question present in person or by proxy may demand a poll.

INVESTMENT OBJECTIVES AND POLICIES

The Company has been established for the purpose of investing in transferable securities and Money Market Instruments in accordance with the UCITS Directive.

The Western Asset Euro Liquidity Fund, Western Asset Sterling Liquidity Fund and Western Asset US Dollar Liquidity Fund invest directly or indirectly in a wide range of high quality Money Market Instruments and short term debt instruments which comply with the criteria for money market instruments as set out in the UCITS Directive with the aim of maintaining capital value while seeking to produce a return to investors in line with money market rates.

The Western Asset Euro Government Liquidity Fund invests directly or indirectly in a wide range of high quality Money Market Instruments and short term debt instruments issued by European Union governments and their agencies which comply with the criteria for money market instruments as set out in the UCITS Directive with the aim of maintaining capital value while seeking to produce a return to investors in line with money market rates. Details of the specific investment objectives and policies for each Fund, and the investment restrictions in relation to them, will be formulated by the Directors at the time of creation of each Fund and will be set out in the Relevant Supplement.

Any change in the investment objective may only be made with the approval of a special resolution of the Shareholders of the relevant Fund. Subject to notifying the Shareholders, the Directors have the power to change the investment policies of a Fund but any material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the relevant Fund. The Company will notify the Central Bank of any material change to the investment policies of a Fund that has been made.

Reasonable prior notice of any change in the investment objectives and/or policies must be given in advance to Shareholders to enable them to request the redemption of their Shares prior to its implementation.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Directive and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the Relevant Supplement. References below to a Fund means the Company acting for the account of the relevant Fund. The principal investment restrictions applying to each Fund under the UCITS Directive are as follows:

Permitted Investments

Investments of a Fund which may be in currencies other than the Base Currency of each Fund (provided such non Base Currency investments are hedged back to the Base Currency of the Fund), are confined to:

- (a) transferable securities and Money Market Instruments which are either admitted to official listing on a Recognised Market in an EU Member State or non-EU Member State or which are dealt on a Recognised Market;
- (b) recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year;
- (c) Money Market Instruments other than those dealt on a Recognised Market;
- (d) units of UCITS;
- (e) units of alternative investment funds;
- (f) deposits with credit institutions; and
- (g) FDI.

Investment Restrictions

- (a) A Fund may invest no more than 10% of its net assets in transferable securities and Money Market Instruments other than those referred to under the heading “Permitted Investments” above.
- (b) Recently Issued Transferable Securities
 - (i) Subject to paragraph (ii) below, a responsible person shall not invest any more than 10% of the assets of a Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.
 - (ii) Paragraph (i) above does not apply to an investment by a responsible person in U.S. securities known as “Rule 144A securities” provided that: (a) the relevant securities have been issued with an undertaking to register with the SEC within one year of issue; and (b) the securities are not illiquid securities, i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, which they are valued by the Fund.
- (c) A Fund may invest no more than 10% of its net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (d) The limit of 10% in (c) above is raised to 35% if the transferable securities or Money Market Instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- (e) The transferable securities and Money Market Instruments referred to in (d) above shall not be taken into account for the purpose of applying the limit of 40% referred to in (c) above.
- (f) Deposits with any single credit institution, other than (i) a credit institution authorised in the European Economic Area (the “EEA”) (EU Member States, Norway, Iceland, Liechtenstein), (ii) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States of America) or (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, shall not exceed 10% of its net assets or, where the deposit is made with the Depositary, 20% of the net assets of the Fund.
- (g) The risk exposure of the Fund to a counterparty to an over-the-counter (“OTC”) derivative transaction may not exceed 5% of net assets. This limit is raised to 10% in the case of (i) a credit institution authorised in the EEA, (ii) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- (h) Notwithstanding paragraphs (c), (f) and (g) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its Net Asset Value:
 - investments in transferable securities or Money Market Instruments;
 - deposits, and/or
 - counterparty risk exposures arising from OTC derivatives transactions.
- (i) The limits referred to in (c), (d), (f), (g) and (h) above may not be combined, so that exposure to a single body shall not exceed 35% of each Fund’s Net Asset Value.
- (j) Group companies are regarded as a single issuer for the purposes of (c), (d), (f), (g) and (h) above. However, a limit of 20% of each Fund’s net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
- (k) A Fund may invest up to 100% of its net assets in different transferable securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-Member States

or public international bodies of which one or more Member States are members. The individual issuers may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade)
Government of Brazil (provided the issues are of investment grade)
Government of India (provided the issues are of investment grade)
Government of Singapore
Government of the People's Republic of China
European Investment Bank
European Bank for Reconstruction and Development
International Finance Corporation
International Monetary Fund
Euratom
The Asian Development Bank
Council of Europe
Eurofima
African Development Bank
International Bank for Reconstruction and Development (The World Bank)
The Inter American Development Bank
European Union
European Central Bank
Federal National Mortgage Association (Fannie Mae)
Federal Home Loan Mortgage Corporation (Freddie Mac)
Government National Mortgage Association (Ginnie Mae)
Student Loan Marketing Association (Sallie Mae)
Federal Home Loan Bank
Federal Farm Credit Bank
Straight A Funding LLC
Tennessee Valley Authority

A Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

Investment in CIS

- (a) A Fund may not invest more than 20% of its net assets in any one CIS.
- (b) Investment in non-UCITS may not, in aggregate, exceed 30% of the net assets of a Fund.
- (c) A Fund may only invest in CIS which are prohibited from investing more than 10% of their net assets in other open ended CIS.
- (d) When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager, Sub-Investment Manager or by any company with which the Investment Manager or Sub-Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager, Sub-Investment Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- (e) Where by virtue of investment in the units of another CIS, the Fund, the Investment Manager, Sub-Investment Manager or an investment adviser received a commission on behalf of the Fund (including a rebated commission), the Fund shall ensure that the relevant commission is paid into the property of the Fund.

Index Tracking UCITS

- (a) A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank

- (b) The limit in (a) above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

General Provisions

- (a) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) A Fund may acquire no more than:
 - (i) 10% of the non-voting shares of any single issuing body;
 - (ii) 10% of the debt securities of any single issuing body;
 - (iii) 25% of the units of any single CIS;
 - (iv) 10% of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- (c) The provisions of (a) and (b) above shall not be applicable to:
 - (i) transferable securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities;
 - (ii) transferable securities and Money Market Instruments issued or guaranteed by a non-EU Member State;
 - (iii) transferable securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;
 - (iv) shares held by a Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-EU Member State, where under the legislation of that non-EU Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-EU Member State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2 (c) to (j), 3 (a) and (b) and 4 (a), (b), (d), (e) and (f) and provided that where these limits are exceeded, paragraphs (e) and (f) below are observed; and
 - (v) shares held by a Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.
- (d) A Fund need not comply with these investment restrictions when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of its assets.
- (e) The Central Bank may allow a recently authorised Fund to derogate from the provisions of (c) to (k) under the heading "Investment Restrictions" above, (a) to (b) under the heading "Investment in CIS" above, and (a) and (b) under the heading "Index Tracking UCITS" above for six months following the date of its authorisation, provided that it observes the principle of risk spreading.
- (f) If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

- (g) Neither the Investment Manager, Sub-Investment Manager or the Depositary acting on behalf of a Fund may carry out uncovered sales of:
 - (i) transferable securities;
 - (ii) Money Market Instruments*;
 - (iii) units of investment funds; or
 - (iv) FDI.
- (h) A Fund may hold ancillary liquid assets.

* Any short selling of Money Market Instruments by a UCITS is prohibited.

FDI

- (a) A Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- (b) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
- (c) A Fund may invest in FDIs dealt in over-the-counter (OTC), provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (d) Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

Further Restrictions

- (a) A Fund may not acquire either precious metals or certificates representing them, but may invest in securities issued by an issuer whose main business is concerned with precious metals.
- (b) A Fund may not invest more than 5% of its Net Asset Value in warrants.
- (c) A Fund may not make any loan or act as a guarantor on behalf of third parties provided that, for the purpose of this restriction, the making of deposits, the acquisition of bonds, debentures, debenture stock, notes, commercial paper, certificates of deposit, time deposits, bankers' acceptances, Money Market Instruments or other debt instruments, securities or obligations permitted by the UCITS Directive, or the acquisition of transferable securities which are not fully paid, shall not be deemed to constitute the making of a loan.
- (d) A Fund may not borrow money except as follows:
 - (i) foreign currency may be acquired by means of a back-to-back loan (i.e. borrowing one currency against a deposit of an equivalent amount of another currency), provided that where foreign currency borrowings exceed the value of the back-to-back deposit any excess shall be regarded as borrowing and is therefore aggregated with other borrowings for the purposes of the 10% limit referred to below;
 - (ii) the Company may borrow up to 10% of a Fund's Net Asset Value at any time for the account of any Fund and may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes such as securities settlement or meeting a redemption, and not for leverage. Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend to, or act as guarantor on

behalf of, third parties. A Fund may acquire debt securities and securities which are not fully paid; and

- (iii) the Company may in respect of each Fund utilise and/or enter into repurchase and reverse repurchase agreements, buy and sell back agreements and stock lending agreements subject to the limits and conditions laid down by the Central Bank from time to time.

The investment restrictions listed above apply at the time of purchase of the relevant investments. If these limits are exceeded with respect to a Fund for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Company via the Investment Manager or the Sub-Investment Manager shall adopt as a priority objective for the sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

Any Fund which proposes to invest in FDI as part of its investment policy or for efficient portfolio management purposes shall submit a risk management process to the Central Bank for review in advance of any such investment and shall set out in the Relevant Supplement: (a) a statement drawing attention to this policy; (b) confirmation whether the FDI will be used for investment or efficient portfolio management purposes; (c) the types of FDI in which it is intended to invest; and (d) an explanation of the expected effect of these transactions on the risk profile of the relevant Fund. Any Fund which intends to invest principally in FDI will include in the Relevant Supplement a prominent statement to such effect.

Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction.

Short-Term Money Market Funds

Each of the Funds is a Short-Term Money Market Fund and in relation to each Fund the Company must:

- (a) Invest in high quality Money Market Instruments which comply with the criteria for money market instruments as set out in the UCITS Directive and/or deposits with credit institutions.
- (b) Ensure, as determined by the Company, the Investment Manager or the Sub-Investment Manager, that the Money Market Instruments invested in are of high quality. In making its determination the following factors must at least be taken into account:
 - (i) the credit quality of the instrument;
 - (ii) the nature of the asset class represented by the instrument;
 - (iii) for structured financial instruments, the operational and counterparty risk; and
 - (iv) the liquidity profile.
- (c) A Money Market Instrument will not be considered to be of high quality unless it has been awarded one of the two highest available short-term credit ratings by each Recognised Rating Agency that has rated the instrument or, if the instrument is not rated, it is of an equivalent quality as determined by the Investment Manager's or the Sub-Investment Manager's internal rating process and in accordance with the UCITS Directive. The Investment Manager or the Sub-Investment Manager shall perform its own documented assessment of the credit quality of a security in order to determine that it presents minimal credit risks. This assessment shall have regard to, inter alia, the rating of the security by any Recognised Rating Agency. If after the time of purchase the Money Market Instrument is no longer considered to be of high quality, the Investment Manager or the Sub-Investment Manager will sell the Money Market Instrument, taking due account of the interests of its shareholders.
- (d) Limit investment to securities or instruments with a residual maturity until the legal redemption date of less than or equal to 397 days.
- (e) Ensure each Fund's portfolio has a WAM of no more than 60 days. The WAM calculation must take into account the impact of deposits, FDI and efficient portfolio management techniques.
- (f) Ensure each Fund's portfolio has a WAL of no more than 120 days. The WAL calculation must take into account the impact of deposits, FDI and efficient portfolio management techniques.

- (g) When calculating the WAL for securities, including structured financial instruments, base the maturity calculation on the residual maturity until the legal redemption of the instruments. However where a financial instrument embeds a put option, the exercise date of the put option may be used instead of the legal residual maturity only if the following conditions are fulfilled at all times:
 - (i) the put option can be freely exercised by the Company on behalf of the relevant Fund at its exercise date;
 - (ii) the strike price of the put option remains close to the expected value of the instrument at the next exercise date; and
 - (iii) the investment strategy of the Fund holding the financial instrument with the embedded put option implies there is a high probability that the option will be exercised at the next exercise date.
- (h) Not take direct or indirect exposure to equities or commodities including through FDI.
- (i) Invest only in CIS which comply with the definition of “Short-Term Money Market Fund” in the ESMA Guidelines.
- (j) Use FDI when these are in line with a Fund’s money market strategy, FDI which give exposure to foreign exchange may only be used for hedging purposes. Investment in non-base currencies is not permitted unless the exposure is fully hedged.

In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of each Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Directive and the ESMA Guidelines. The Company will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND FUND INVESTMENT TECHNIQUES

The use of FDI (including, without limitation, futures and options, currency swaps, interest rate swaps, foreign exchange contracts exchange traded stock index contracts and contracts for differences) is permitted for efficient portfolio management purposes, subject to the general restrictions outlined under “Investment Restrictions” in the “Investment Objectives and Policies” section above. A Fund may also employ fund investment techniques for efficient portfolio management of the assets of any Fund within the limits stipulated by the Central Bank under the UCITS Directive and described below. Any use of such techniques or instruments should be reasonably believed by the Investment Manager to be economically appropriate to the effective portfolio management of the Fund, i.e. the use of FDI may only be undertaken for the purpose of one or more of the following: (a) a reduction of risk; (b) a reduction in cost; or (c) an increase in capital or income returns to a Fund. The Funds are not expected to have an above average risk profile as a result of utilisation of FDI and the total exposure of a Fund, including but not limited to, its exposure from the use of any derivative instruments (but not including temporary borrowings), must not exceed the total Net Asset Value of the Fund. The Central Bank defines “leverage” as being a fund’s global exposure divided by its net asset value, where global exposure is defined as a measure of incremental exposure and leverage generated by using FDI. Although a Fund may be leveraged in this sense through its use of FDI, neither the Investment Manager nor the Sub-Investment Manager expect the use of FDI to significantly increase such Fund’s risk profile and neither the Investment Manager nor the Sub-Investment Manager intend to use FDI as a means of gearing a Fund or as an alternative to borrowing.

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns is described in the section entitled “Investment Risks” under the heading “Credit and Counterparty Risk”. It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund’s investment portfolio or over the underlying of the FDIs, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

The policy that will be applied to collateral arising from OTC derivatives transactions or efficient portfolio management techniques relating to the Funds is to adhere to the requirements set out below in the section entitled “Collateral Management”. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as debt securities and money market instruments. From time to time and subject to the requirements set out below, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements of the Central Bank Regulations. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section below entitled “Investment Risks”.

Direct and indirect operational costs and fees arising from the efficient portfolio management techniques of stock lending, repurchase and reverse repurchase arrangements may be deducted from the revenue delivered to the Funds (for example, as a result of revenue sharing arrangements). These costs and fees should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Company or the Depositary. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and half-yearly reports of the Funds.

Use of Repurchase/Reverse Repurchase Agreements and Stocklending Arrangements

A Fund may enter into repurchase agreements under which it acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the security at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. The Company may enter on behalf of a Fund reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. Investment in repurchase and reverse repurchase agreements shall be subject to the conditions and limits set out in the UCITS Directive. A Fund may lend securities to a counterparty approved by the Investment Manager or Sub-Investment Manager. The provisions of the Central Bank Regulations in relation to repurchase/reverse repurchase agreements and stocklending arrangements as of the date of this Prospectus are summarised below.

Techniques and instruments which relate to transferable securities or Money Market Instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost-effective way;
- (ii) they are entered into for one or more of the following specific aims:
 - (a) reduction of risk;
 - (b) reduction of cost; or
 - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in UCITS 9 issued by the Central Bank;
- (iii) their risks are adequately captured by the risk management process of the Fund; and

- (iv) they cannot result in a change to the Funds' declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Repurchase/reverse repurchase agreements and stocklending ("efficient portfolio management techniques") may only be effected in accordance with normal market practice.

Securities Financing Transactions Regulation

The Funds may enter into the following Securities Financing Transactions:

- (i) repurchase agreements;
- (ii) reverse repurchase agreements; and
- (iii) securities lending arrangements,

each as set out in the section entitled "Use of Repurchase/Reverse Repurchase Agreements and Stocklending Arrangements".

A Fund may enter into Securities Financing Transactions for efficient portfolio management purposes. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for a Fund with a level of risk that is consistent with the risk profile of the Fund.

If a Fund invests in Securities Financing Transactions, the relevant asset may be comprised of debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in the sections entitled "Investment Objectives and Policies" and "Use of Financial Derivative Instruments and Fund Investment Techniques" and any investment restrictions set out in Relevant Supplement, a Fund can invest up to 20% of its Net Asset Value in Securities Financing Transactions. It is not anticipated that each Fund will generally invest in Securities Financing Transactions.

The Funds shall only enter into Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in the section entitled "Collateral Management".

The categories of collateral which may be received by the Fund are set out in the section entitled "Collateral Management" and include cash and non-cash assets such as debt securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section of this Prospectus entitled "Determination of Net Asset Value". Collateral received by a Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund receives collateral as a result of entering into Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty's obligations under a Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to Securities Financing Transactions, see the section of this Prospectus entitled "Investment Risks" and, in particular, the section entitled "Credit and Counterparty Risk".

A Fund may provide certain of its assets as collateral to counterparties in connection with Securities Financing Transactions. If a Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank, a Fund may re-invest cash collateral that it receives. If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Funds. For further details see the section entitled "Investment Risks".

Direct and indirect operational costs and fees arising from Securities Financing Transactions may be deducted from the revenue delivered to a Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Company, the Investment Manager, a Sub-Investment Manager or the Depositary.

Collateral Management

All assets received by a Fund in the context of efficient portfolio management techniques or OTC derivatives transactions should be considered as collateral and should comply with the criteria set down below.

Collateral must at all times meet with the following criteria:

- (i) **liquidity:** collateral received other than cash should be highly liquid and traded on a Recognised Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
- (ii) **valuation:** collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **issuer credit quality:** collateral received should be of high quality;
- (iv) **correlation:** collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) **diversification (asset concentration):** collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
- (vi) **immediately available:** collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process of the Fund.

Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral may not be invested other than in the following:

- (a) deposits with relevant institutions;
- (b) high-quality government bonds;
- (c) repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

- (d) short-term money market funds as defined in the ESMA Guidelines.

In accordance with the Central Bank Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold/s; and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed in accordance with the preceding paragraph. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

Where a counterparty to a repurchase or a securities lending agreement which has been entered into by a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty without delay.

A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any stocklending agreement into which it has entered.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the repurchase agreement should be used for the calculation of the net asset value of the Fund.

A Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall any securities subject to the reverse repurchase agreement or to terminate the reverse repurchase agreement into which it has entered.

Repurchase/reverse repurchase agreements or stocklending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Fund.

Mortgage Dollar Roll Transactions

The Company on behalf of a Fund may enter into mortgage dollar roll transactions which are transactions in which mortgage-backed securities are sold for delivery in the current month and the seller simultaneously contracts to repurchase substantially similar securities on a specified future date. The difference between the sale price and the purchase price (plus any interest earned on the cash proceeds of the sale) is netted against the interest income foregone on the securities sold, to arrive at an implied borrowing rate. Alternatively, the sale and purchase transactions can be executed at the same time, with the Company on behalf of the Fund being paid a fee as consideration for entering into the commitment to purchase. Mortgage dollar rolls may be renewed prior to cash settlement and initially may involve only a firm commitment agreement by the Fund to buy a security. If the broker-dealer to whom the Company on behalf of the Fund sells the security becomes insolvent, the Company's right to

repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the Company is required to repurchase may be worth less than the security that the Fund originally held. To avoid any leveraging concerns, the Company will place U.S. government or other liquid securities in a segregated account in an amount sufficient to cover its repurchase obligation. The use of mortgage dollar rolls will be subject to the same conditions and restrictions as those applicable to repurchase agreements which are set out in this Prospectus.

Sale-Buybacks

The Company may on behalf of a Fund also may effect simultaneous purchase and sale transactions that are known as “sale-buybacks.” A sale-buyback is similar to a reverse repurchase agreement, except that in a sale-buyback, the counterparty that purchases the security is entitled to receive any principal or interest payments made on the underlying security pending settlement of the Fund’s repurchase of the underlying security. To avoid any leveraging concerns, the Company will place U.S. government or other liquid securities in a segregated account in an amount sufficient to cover its repurchase obligation. The use of sale-buybacks will be subject to the same conditions and restrictions as those applicable to repurchase agreements which are set out in this Prospectus.

When-Issued and Forward Commitment Securities

The Company may purchase on behalf of a Fund securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward commitments may be sold prior to the settlement date, but the Company will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities which have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If the Company disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the relevant Fund may incur a gain or loss.

Currency Transactions

Each Fund is permitted to invest in securities denominated in a currency other than the Base Currency of the Fund (provided such non Base Currency investments are hedged back to the Base Currency of the Fund) and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the UCITS Directive, each Fund may enter into various currency transactions, i.e., forward foreign currency contracts, currency swaps or foreign currency to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another – for example, to exchange a certain amount of sterling for a certain amount of Euro – at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Under the UCITS Directive, uncovered positions in currency derivatives are not permitted.

Currency transactions undertaken to alter the currency exposure characteristics of transferable securities held by a Fund through the purchase or sale of currencies other than the currency of denomination of the Fund or the relevant transferable securities must not be speculative in nature i.e., they must not constitute an investment in their own right. To the extent that such currency transactions alter the currency characteristics of transferable securities of a Fund, they must be fully covered by the cash flows of the transferable securities held by the Fund, including any income therefrom. A Fund may not be leveraged or geared in any way through the use of currency transactions.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to the Fund. Any such currency transactions must be used in accordance with the investment objective of the Fund and must be deemed by the Investment Manager or the Sub-Investment Manager to be economically appropriate.

A Fund may “cross-hedge” one foreign currency exposure by selling a related foreign currency into the Base Currency of that Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar or Japanese Yen. A Fund may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency.

Credit Default Swaps

The Company may enter into credit default swaps on behalf of a Fund. A credit default swap is a bilateral financial contract under which the protection buyer pays a fee, usually expressed in basis points per annum on the notional amount, in return for a payment by the protection seller contingent on the occurrence of a credit event, such as a bankruptcy, default, or restructuring, with respect to a referenced entity. The credit events and applicable settlement mechanism used to determine the contingent payment are negotiated between the counterparties at time of trading. Once the credit event has been declared, the protection buyer has the right to settle the contract. Settlement is usually either physical or cash. With physical settlement the protection buyer has the right to deliver bonds of the effected referenced entity with a face value equal to the notional amount of the credit default swap contract. In return, the protection buyer receives the notional amount of the credit default swap contract in cash. With cash settlement, the protection seller pays to the protection buyer the difference between the face value of the debt of the referenced entity and the estimated value of such debt in the markets. Selling and buying protection is the equivalent of synthetically shorting or hedging a bond or other credit exposure as described in this Prospectus. The use of credit default swap contracts is restricted to the extent that the benefits to the relevant Fund mirror that which could be obtained by direct investment in the underlying instruments and that the swaps do not expose that Fund and the Company to risks which it would not otherwise assume (other than the exposure to the credit default swap counterparty). In addition, where the Company acts as protection seller the following additional requirements will apply: (a) the contract must be subject to daily valuations by the Company and be independently valued at least once a month; and (b) the risks attached to the contract must be independently assessed (i.e., by a party independent to the counterparty) on a semi-annual basis and the independent report submitted to the Company for review. Credit default swaps which are not exchange traded will be subject to the conditions and restrictions applicable to OTC derivatives transactions set out in this Prospectus.

Additional Information

Each Fund's principal investment strategies will be set out in the Relevant Supplement. The following provides additional information about these principal strategies and describes other investment strategies that may be used by the Funds and contains more information about the various types of securities in which each Fund may invest and the risks involved in such investments.

The general categories of short-term securities or instruments that must comply with the requirements for Money Market Instruments set out in this Prospectus in which the Funds may invest are described below.

U.S. Government Debt Securities

A Fund may invest in securities, including bills, bonds or notes, issued or guaranteed by the U.S. government, by various agencies of the U.S. government, and by various instrumentalities which have been established or sponsored by the U.S. government.

U.S. Treasury Securities are backed by the "full faith and credit" of the United States government. Securities issued or guaranteed by Federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the "full faith and credit" of the United States. In the case of securities not backed by the "full faith and credit" of the United States, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitment. However, it is not intended to invest in any such securities unless they are investment grade securities.

Some of the U.S. government agencies that issue or guarantee securities include the Export-Import Bank of the United States, the Farmers Home Administration, the Federal Housing Administration, the Maritime Administration, the Small Business Administration and the Tennessee Valley Authority.

An instrumentality of the U.S. government is a government agency organised under Federal charter with government supervision. Instrumentalities issuing or guaranteeing securities include, among others, Federal Home Loan Bank, the Federal Land Banks, the Central Bank for Cooperatives, Federal Intermediate Credit Banks, and the Federal National Mortgage Association.

A Fund may invest in zero coupon Treasury securities which may be issued by the U.S. government, its agencies or instrumentalities and which are purchased at a substantial discount from their face value. Zero coupon Treasury securities generally are U.S. Treasury notes and bonds that have been "stripped" of their interest coupons, U.S. Treasury bills without interest coupons, or certificates representing interests in the stripped securities. They are subject to greater fluctuations in market value when interest rates change than debt securities that pay interest

periodically. The Company accrues interest on behalf of the relevant Fund on zero coupon bonds even though cash is not actually received.

Bank Obligations

A Fund may invest in negotiable certificates of deposit (issued by banks in large denominations) and bankers' acceptances (credit instruments guaranteed by a bank).

A Fund may also invest in Eurodollar and Yankee obligations which are certificates of deposit issued in U.S. dollars by non-U.S. banks and non-U.S. branches of U.S. banks. Eurodollar and Yankee obligations have the same risks, such as income risk and credit risk, as U.S. money market securities. Other risks of Eurodollar and Yankee obligations include the possibility that a government will not let U.S. dollar-denominated assets leave the country; the possibility that the banks that issue Eurodollar obligations may be subject to an inadequate degree of regulation; and the possibility that adverse political or economic developments will affect investments in a particular country. Before the Investment Manager or Sub-Investment Manager selects a Eurodollar or Yankee obligation however, any relevant issuer undergoes the same determination as the issuers of U.S. securities.

Commercial Paper

A Fund may invest in commercial paper. Commercial paper consists of short-term promissory notes issued by banks, corporations and other institutions to finance short-term credit needs. These securities generally are discounted but sometimes may be interest bearing. Commercial paper, which also may be unsecured, is subject to credit risk.

Promissory Notes

A Fund may invest in promissory notes which are freely transferable.

Promissory notes are written agreements committing the maker or issuer to pay the payee a specified amount either on demand or at a fixed date in the future, with or without interest. These are sometimes called negotiable notes or instruments and are subject to credit risk. Bank notes are notes used to represent debt obligations issued by banks in large denominations.

Asset-Backed Securities

A Fund may invest in securities that are backed by the loans or accounts receivable of an entity, such as a bank or credit card company. These securities are typically commercial paper (short-term loans), which the issuer intends to repay using the assets backing them (once collected). Therefore, repayment depends largely on the cash flows generated by the assets backing the securities. Sometimes the credit support for these securities is limited to the underlying assets, but, in other cases, may be provided by a third party via a letter of credit or insurance guarantee. Asset backed securities are subject to credit and prepayment risks.

Asset backed securities are secured or backed by assets and are sponsored by such institutions as finance companies, finance subsidiaries of industrial companies and investment banks. Asset-backed securities include securities backed by assets such as motor vehicle instalment sale contracts, other instalment sale contracts, home equity loans, leases of various types of real and personal property, and receivables from revolving credit (credit card) agreements. Such assets are securitised through the use of trusts or special purpose corporations. Payments or distributions of principal and interest may be guaranteed up to a certain amount and for a certain period of time by a letter of credit or pool insurance issued by a financial institution unaffiliated with the issuer, or other credit enhancements may be present.

Other Short-Term Debt Securities

A Fund may also invest in other short-term debt securities (including zero coupon securities and asset backed securities).

Other Short-Term Government, Municipal and Corporate Debt Obligations

A Fund may also invest in short-term government, municipal and corporate obligations whether issued as bonds, notes or other debt securities.

Floating Rate/Variable Rate Notes

A Fund may purchase notes with floating or variable interest rates. Variable rates are adjustable at stated periodic intervals. Floating rates are adjusted automatically according to a specified market index for such investments, such as the prime rate of a bank.

Ancillary Liquid Assets

A Fund may also invest in deposits and time deposits with credit institutions.

INVESTMENT RISKS

Investment in any Fund entails a degree of risk. While there are some risks that may be common to a number or all of the Funds, there may also be specific risk considerations which apply to particular Funds in which case such risks will be specified in the Relevant Supplement for that Fund. Investment in the Shares may not be suitable for all investors and should not be considered a complete investment programme. As you consider an investment in one or more of the Funds, you should take into account your investment objectives and personal risk tolerance. There can be no assurance that any Fund will achieve its investment objectives. The Net Asset Value of Shares may go down as well as up and you may not get back the amount invested or any return on your investment.

The Company will, on request, provide supplementary information to Shareholders in a given Fund relating to any risk management methods to be employed by such Fund, including the quantitative limits that are applied, and any recent developments in the risk and yield characteristics of the main categories of investments.

Market Risk and Interest Rate Risk

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur.

Stock markets can be volatile and stock prices can change substantially. Debt securities such as fixed income are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. The performance of a Fund will therefore depend in part on the ability of the Investment Manager or the Sub-Investment Manager to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

Floating rate securities are securities whose interest rates are not set but which fluctuate periodically. These securities reset their yield on a periodic basis (for example, daily, weekly or quarterly) and are closely correlated to changes in money market interest rates. These securities may be subject to price volatility due to such factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and the general market liquidity.

Downgrading Risk

Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. If an investment grade security is downgraded to below investment grade, then investors should note that such below investment grade securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses. In addition, the market for securities which are rated below investment grade and/or have a lower credit rating generally is of lower liquidity and less active than that for higher rated securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by factors such as adverse publicity and investor perception.

Umbrella Structure of the Company and Cross-Contamination Risk

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. As the Company is an umbrella fund with segregated liability between its Funds, pursuant to Irish law, the Company should not be liable as a whole to third parties for the liability of each Fund and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds will necessarily be upheld.

Political and/or Regulatory Risks

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Developing Market Risk

There are certain risks involved in investing in securities of companies and governments of developing market countries which are in addition to the usual risks inherent in investment in securities of more developed countries. These risks include those resulting from fluctuations in currency exchange rates, revaluation of currencies, future

adverse political and economic developments and the possible imposition of currency exchange blockages or other foreign governmental laws or restrictions, reduced availability of public information concerning issuers, the lack of uniform accounting, auditing and financial reporting standards and other regulatory practices and requirements that are often less rigorous than those applied in more developed countries. Securities of many companies in developing market countries may be less liquid and the prices more volatile than those securities of comparable companies in non-developing market countries. Certain developing market countries are known to experience long delays between the trade and settlement dates of securities purchased or sold. In addition, with respect to certain developing market countries, there is a possibility of expropriation, nationalisation, confiscatory taxation and limitations on the use or removal of funds or other assets of a Fund, including the withholding of dividends. Moreover, individual economies of developing market countries may differ favourably or unfavourably from the economies of non-developing market countries in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Investment in foreign securities may also result in higher operating expenses due to the cost of converting foreign currency into the Base Currency of a Fund, higher valuation and communications cost and the expense of maintaining securities with foreign depositaries.

Currency Risk

The Net Asset Value per Share of a Fund will be computed in the Base Currency of the relevant Fund, whereas the investments held for the account of that Fund may be acquired in other currencies. The Base Currency value of the investments of a Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of each Fund may be fully hedged into its Base Currency. In addition, currency hedging transactions, while potentially reducing the currency risks to which a Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Fund enters into “cross hedging” transactions (e.g. utilising currency different than the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund securities.

Credit and Counterparty Risks

Generally the Funds are subject to credit risk, which is the possibility that the issuer of a security will be unable to repay interest and principal in a timely manner. While the credit quality of government securities is generally high, the Funds invest in money market securities of private financial and non-financial corporations and, accordingly, not all of the securities in which it invests are issued or guaranteed by sovereign governments or government agencies.

A Fund will also have a credit risk on the parties with which it trades including for example, counterparties to repurchase agreements, securities lending agreements and OTC derivatives transactions. In the event of the insolvency, bankruptcy or default of the seller under a repurchase agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities during the period while it seeks to enforce its rights, possible sub-normal level of income, lack of access to income during the period and expenses in enforcing its rights. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

A Fund's foreign exchange, futures and other transactions also involve counterparty credit risk and may expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations. With respect to futures contracts and options on futures, the risk is more complex in that it involves the potential default of the clearing house or the clearing broker.

The Company may have contractual remedies upon any default pursuant to the agreements related to particular transactions. Such remedies could be inadequate, however, to the extent that the collateral or other assets available are insufficient to satisfy the obligations of the counterparty to the Company.

Valuation Risk

The Net Asset Value of each of the Funds is currently calculated using the amortised cost method, which values securities at their cost and thereafter assumes a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the security or instrument. The amortised cost method is used in valuing all of the assets of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund, and for a portion or all of the assets of the Western Asset Euro Liquidity Fund. Whilst this method provides certainty in valuation, it may result in periods during which the value of the security, as determined by the amortised cost method of valuation, is higher or lower

than the price a Fund would receive if the security was sold. During such periods, the daily fluctuation in value of the Shares in the Funds may differ somewhat from an identical computation made by an investment company with identical investments utilising available indications as to market value in order to value its portfolio securities.

The calculation of the Net Asset Value of each Fund involves the estimation of expenses and liabilities and may involve the amortisation of these expenses and liabilities together with any realised capital losses over a certain period. In the event that these estimates prove inaccurate or in the event that the Fund terminates before the end of the relevant amortisation period, this may impact on the Net Asset Value of the Fund and the Net Asset Value per Share and in particular may result in Shareholders receiving less than the amount they invested on the redemption of their Shares or the termination of the Fund.

Income Risk

The Funds invest in short-term securities whose performance is closely correlated to short-term interest rates. Historically, short-term interest rate fluctuations have been influenced by government monetary policy and by markets' growing demand. The Funds are subject to income risk, which is the possibility that dividends or interest payments (i.e. income) will decline because of falling interest rates. Because the Funds' incomes are based on short-term interest rates which can fluctuate significantly over short periods, income risk is expected to be high.

Risk of Investments issued by Special Purpose Vehicles

Investments in asset backed, mortgage related and other types of structured securities which are issued by special purpose vehicles (such as SIVs) may be subject to certain credit and liquidity risks. Market conditions may significantly impair the value of these types of investments resulting in a lack of correlation between their credit ratings and values. For example a SIV collateralised by residential mortgages may find the market conditions could result in the underlying mortgages' default rates increasing and their foreclosure values being materially below any outstanding amounts. In these circumstances collection of the full amount of accrued interest and principal on such investments may be affected.

Portfolio Turnover and Transaction Charges

Because of the short-term nature of the securities held in the Funds' portfolios, the turnover rates for the Funds are expected to be high. The turnover rate should not increase portfolio costs however, since brokerage commissions are not usually charged for the purchase or sale of short-term fixed income securities.

Sales, redemption or transaction charges may be payable in respect of any Fund if specified in the Relevant Supplement. In the short term, these charges will have the effect of reducing the value of an investment.

Investment Techniques

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager or the Sub-Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed below. To the extent that the Investment Manager's or Sub-Investment Manager's expectations in employing such techniques and instruments are incorrect, a Fund may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.

Futures and Options Contracts, Forward Commitments, Swaps and When-Issued Securities

Each Fund may use futures and options, forward commitments, swaps and when-issued securities for efficient portfolio management purposes and/or for hedging against market movements, currency exchange or interest rate risks or otherwise. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including: (a) dependence on the Investment Manager's or Sub-Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates; (b) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the relevant Fund; (c) the absence of a liquid market or of accurate pricing information for any particular instrument at any particular time; (d) while a Fund may not be leveraged or geared in any way through the use of derivatives the degree of leverage inherent in futures trading (i.e., the low margin deposits normally required in futures trading) means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and (e) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

Positions in futures contracts may be closed out only on an exchange which provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price

movements, the Company, on behalf of a Fund, would continue to be required to make daily cash payments to maintain its required margin. In such situations, if there is insufficient cash, portfolio securities may have to be sold to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, the Company, on behalf of a Fund, may be required to make delivery of the instruments underlying futures contracts it holds. The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge the Fund.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Fund also assumes the risk that the Investment Manager or the Sub-Investment Manager will incorrectly predict future stock market trends. However, because the futures strategies of each Fund are engaged in only for hedging purposes, the Company does not believe that the Funds are subject to the risks of loss frequently associated with futures transactions. A Fund would generally have sustained comparable losses if, instead of the futures contract, it had invested in the underlying financial instrument and sold it after the decline.

Utilisation of futures transactions by a Fund involves the risk of imperfect or no correlation where the securities underlying the futures contracts have different maturities than the portfolio securities being hedged. It is also possible that a Fund could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Fund of margin deposits in the event of bankruptcy of a broker with whom the Company on behalf of a Fund has an open position in a futures contract or related option.

Most futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of contract, no trades may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and therefore does not limit potential losses, because the limit may prevent the liquidation of unfavourable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses.

Derivatives Risk

Derivatives, in general, involve special risks and costs and may result in losses to the Funds. The successful use of derivatives requires sophisticated management, and a Fund will depend on the ability of the Investment Manager to analyse and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Investment Manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to the Fund, creating the risk of potentially unlimited loss.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the Funds' derivatives positions at any time. In fact, many over-the-counter instruments will not be liquid and may not be able to be "closed out" when desired. Over-the-counter instruments such as swap transactions also involve the risk that the other party will not meet its obligations to the Funds. The participants in "over-the-counter" markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes the Funds to risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Derivative contracts may also involve legal risk.

Repurchase and Reverse Repurchase Agreements

If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Company on behalf of the Fund and order that the securities be sold to pay off the seller's debts. There may be both delays in liquidating the underlying securities and losses during the period while the

Company on behalf of the Fund seeks to enforce its rights, including possible sub-normal level of income and lack of access to income during the period and expenses in enforcing its rights.

Reverse repurchase agreements create the risk that the market value of the securities sold by the Company on behalf of a Fund may decline below the price at which the Company is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Company's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

Securities Lending Agreements

A Fund will have a credit risk on a counterparty to any securities lending contract. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

Stable Net Asset Value

While the Directors may seek to maintain a stable Net Asset Value per Class D, Class S and Class WA (Distributing) Share in respect of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund of 1.00 unit of the relevant Base Currency per Share, there can be no assurance that the Net Asset Value per Share, or in any particular class of Share, in such Fund will remain stable or that the price of the Shares will not fall. The Directors are not required to seek to maintain a stable Net Asset Value for any of the Share Classes of the Western Asset Euro Liquidity Fund.

Mortgage-Backed Securities

Mortgage-backed securities provide a monthly or quarterly payment consisting of interest and principal payments. Additional payments may be made out of unscheduled repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs that may be incurred. Prepayments of principal on mortgage-backed securities may tend to increase due to refinancing of mortgages as interest rates decline. Prepayments may be passed through to the registered holder with the regular monthly payments of principal and interest, and have the effect of reducing future payments. In the event of prepayments, the Funds may experience a loss (if the price at which the respective security was acquired by the fund was at a premium over par, which represents the price at which the security will be redeemed upon repayment) or a gain (if the price at which the respective security was acquired by the Fund was at a discount from par). To the extent that the Company on behalf of a Fund purchases mortgage-backed securities at a premium, mortgage foreclosures and prepayments of principal by mortgagors (which may be made at any time without penalty) may result in some loss of the principal investment to the extent of the premium paid. Prepayments may occur with greater frequency in periods of declining mortgage rates because, among other reasons, it may be possible for mortgagors to refinance their outstanding mortgages at lower interest rates. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancing slows, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed-income securities.

Mortgage pools created by private organisations generally offer a higher rate of interest than governmental and government-related pools because there are no direct or indirect guarantees of payments in the former pools. Timely payment of interest and principal in private organisation pools, however, may be supported by various forms of private insurance or guarantees, including individual loan, title, pool and hazard insurance. There can be no assurance that the private insurers can meet their securities under the policies. The Funds' yields may be affected by reinvestment of prepayments at higher or lower rates than the original investment. In addition, like those of other debt securities, the values of mortgage-related securities, including government and government-related mortgage pools, generally will fluctuate in response to market interest rates.

Asset-Backed Securities

The principal of asset-backed securities may be prepaid at any time. As a result, if such securities were purchased at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect. Conversely, if the securities are purchased at a discount, prepayments faster than expected will increase yield to maturity and prepayments slower than expected will decrease it. Accelerated prepayments also reduce the certainty of the yield because the Funds must reinvest the assets at the then-current rates. Accelerated prepayments on securities purchased at a premium also impose a risk of loss of principal because the premium may not have been fully amortised at the time the principal is repaid in full.

Government Intervention

The recent instability in the financial markets has led the U.S. and other governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility and in some cases a lack of liquidity. Federal, state and other governments, their regulatory agencies or self-regulatory organisations may take actions that affect the regulation of securities in which the Funds invest, or the issuers of securities, in ways that are unforeseeable. Legislation or regulation may also impact the Funds, the valuation of each Fund's assets, and the ability to manage each Fund's portfolio in a manner consistent with its investment objective.

Eurozone Risks

A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and outside Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. Whether or not a Fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries, these events could negatively affect the value and liquidity of the Fund's investments.

U.S. Withholding Tax Risk

The Company (or each Fund) will be required to comply with extensive new reporting and withholding requirements (known as "FATCA") designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to U.S. withholding taxes on certain U.S.-sourced income and (effective 1 January 2019) gross proceeds. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. taxpayer information directly to the Irish government. Shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (or each Fund). See "Foreign Account Tax Compliance Act" under "United States Federal Income Taxes" below.

Concentration Risk

A Fund may concentrate its investments in companies in a particular geographical region, industry or market or economic sector. When a Fund concentrates its investments in a particular region, industry or sector, financial, economic, business, and other developments affecting issuers in that region, industry or sector will have a greater effect on the Fund than if it had not concentrated its assets in that region, industry or sector. In addition, investors may buy or sell substantial amounts of a Fund's shares in response to factors affecting or expected to affect a region, industry or sector in which the Fund concentrates its investments, resulting in extreme inflows or outflows of cash into and out of the Fund. Such inflows or outflows might affect management of the Fund adversely, to the extent they were to cause the Fund's cash position or cash requirements to exceed normal levels. A Fund may establish or terminate a concentration in an industry or sector at any time in the Investment Manager's, or the Sub-Investment Manager's, discretion.

Liquidity Risk

A portion of the Funds' assets may from time to time be considered illiquid. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for the Funds to value illiquid securities accurately. Also, the Funds may not be able to dispose of illiquid securities readily at a favourable time or price or at prices approximating those at which the Funds currently value them. As a result, a Fund may receive a lower price for these securities, or be forced to sell other securities which may result in a

loss to the Fund. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities.

If there are unusually heavy redemption requests because of changes in interest rates or for any other reason, a Fund may have to sell a portion of its assets at a time when it may be disadvantageous to do so. A Fund may also have to sell a portion of its assets in similar circumstances where it is required to do so in order to meet unanticipated redemption requests. Selling securities under these circumstances may result in a lower yield for investors.

In addition, a listing on any stock exchange will not necessarily provide liquidity to investors.

Cyber Security Risks and Risk of Identity Theft

Information and technology systems relied upon by the Company, the Company's service providers (including, but not limited to, the Investment Manager, the Sub-Investment Manager, the auditors, the Depositary and the Administrator) and/or the issuers of securities in which a Fund invests may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Company's service providers have implemented measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Company, a Fund, a service provider and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could also harm the reputation of the Company, a Fund, the Investment Manager, a service provider and/or an issuer, subject such entity and its affiliates to legal claims and/or otherwise affect its business and financial performance.

Risks Associated with Umbrella Cash Accounts

The Umbrella Cash Account will operate in respect of the Company rather than a relevant Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

DISTRIBUTION POLICY

The Articles empower the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Any dividend unclaimed after a period of six years from the date when it first became payable shall be forfeited and shall revert to the relevant Fund.

The net income, as defined below, of each Fund is determined on each Dealing Day. This determination is as of the Valuation Point. All or substantially all of the net income attributable to Class D, Class WA (Distributing) and Class S Shares of each Fund is expected to be declared as a dividend to the Class D, Class WA (Distributing) and Class S Shareholders of the relevant Fund. Shares purchased begin accruing dividends on, and Shares redeemed cease to accrue dividends up to, the days specified in the Relevant Supplement. It is expected that dividends will be distributed monthly on the Business Day following the last Business Day of each month except where a Shareholder has requested the redemption of all of its Class D, Class WA (Distributing) or Class S Shares in a Fund in which case the Directors reserve the right to pay all accrued dividends in respect of the redeemed Shares on the relevant Settlement Date. Unless a Shareholder elects to receive dividends in cash, dividends are distributed in the form of full and fractional additional Class D, Class WA (Distributing) or Class S Shares of the relevant Fund at the Net Asset Value per Share of the relevant class, which is expected to be equal to a rate of one Class D Share, one Class WA (Distributing) Share or one Class S Share of the Fund for each one unit of currency of dividend income.

For these purposes, the net income of each Fund (from the time of the immediately preceding determination of it) shall consist of all income accrued, including the accretion of discounts less the amortisation of any premium on the portfolio assets of the relevant Fund, less all actual and accrued expenses determined in accordance with generally accepted accounting principles.

Dividends may be declared at a different rate for each Fund.

Since the net income attributable to each Class D, Class WA (Distributing) and Class S Share of a Fund is declared as a dividend each time the net income of the relevant Fund is determined, the Net Asset Value per Class D, Class WA (Distributing) or Class S Share of the relevant Fund is expected to remain at 1 unit of the relevant Base Currency per Share immediately after each such determination and dividend declaration. Any increase in the value of a Class D, Class WA (Distributing) or Class S Shareholder's investment in a Fund, representing the reinvestment of dividend income, is reflected by an increase in the number of Class D, Class WA (Distributing) or Class S Shares of the relevant Fund in the Shareholder's account.

In addition to the daily declaration of net income attributable to the Class D Shares, the Class S Shares and the Class WA (Distributing) Shares, the Directors may also distribute realised and unrealised capital gains, if any, after deduction of realised and unrealised capital losses. For the Class D Shares, the Class S Shares and the Class WA (Distributing) Shares of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund, the Directors intend to make such distributions of net capital gains where it will facilitate the maintenance of a stable Net Asset Value per Share in the relevant Class of 1 unit of the relevant Base Currency per Share.

Shareholders are reminded that there is no assurance that the Company will be able to maintain a stable Net Asset Value per Share in the Class D Shares, the Class S Shares and the Class WA (Distributing) Shares of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund, and the Company is not required to seek to maintain a stable Net Asset Value per Share for any Share Class of the Western Asset Euro Liquidity Fund.

The Directors do not intend to declare any dividend in respect of the Class C, Class WA (Accumulating) and Class P Shares in each Fund. The net income attributable to Class C, Class WA (Accumulating) and Class P Shares shall be retained within the relevant Fund and the value of the Class C, Class WA (Accumulating) and Class P Shares shall rise accordingly.

The Company will be obliged and is entitled to deduct an amount in respect of Irish tax from any dividend payable to an investor who is or is deemed to be or is acting on behalf of an Irish Resident who is not an Exempt Investor and pay such sum to the Irish Revenue Commissioners.

BUYING SHARES

The Directors may issue Shares of any series or class, and create new series or classes of Shares, on such terms as they may from time to time determine in relation to any Fund provided that the creation of any Share class is effected in accordance with the requirements of the Central Bank. Shares of any particular series may be divided into different classes to accommodate different subscription and/or redemption and/or dividend provisions and/or charges and/or fee arrangements, including different total expense ratios. The terms, conditions and procedures applicable to an issue of Shares in respect of a Fund will be specified in the Relevant Supplement.

The price at which Shares in any Fund will be issued is the Net Asset Value per Share of the relevant class for the relevant Fund, at the Valuation Point on the relevant Dealing Day together with such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges in respect of the allotment and issue of such Shares.

Initial applications must be made on the application form and accompanied by supporting documentation in relation to anti-money laundering requirements and otherwise and, where appropriate, a Declaration and submitted by post to the Administrator, or a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank, (or for any subsequent dealing activities by telephone or sent by fax with the originals to follow by post) at the address/fax number/telephone number set out on the application form). Telephone dealing is only permitted on subsequent subscriptions, redemptions, transfers and exchanges upon receipt of the original application documentation detailed above and whereby the shareholder has elected to avail of this service. Applications by fax or telephone will be treated by the Company as definitive orders even if not subsequently confirmed by post and will not be capable of withdrawal after acceptance by the Administrator, or by a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank. The original application documentation detailed above must be received promptly following telephone/faxed applications. Redemption payments may be withheld in respect of such Shares until the original application documentation detailed above has been received by the Administrator, or a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank, and all necessary original anti-money laundering checks have been completed and the original declaration required by the Irish Revenue Commissioners. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation.

The Minimum Initial Subscription for Shares of each Fund that may be subscribed for by each subscriber on initial application is set out in the Relevant Supplement for the relevant Fund. Thereafter, existing Shareholders may make additional subscriptions for Shares of that Fund in the amount (if any) set out in the Relevant Supplement for the relevant Fund.

Subsequent applications not made on the application form should state the relevant Fund(s) and classes in respect of which the application is being made; state the number of Shares applied for or the amount to be invested; state how payment has been or will be paid; acknowledge receipt of the Prospectus and relevant key investor information document and confirm the application is made on the terms set out in the application form and subject to the Articles; state the name of the applicant and the name and address to which the contract note is to be dispatched; and (other than pursuant to an exemption available under the laws of the United States) confirm the purchaser is neither a United States Person (as defined in this Prospectus) nor acting on behalf of or for the benefit of a United States Person, or if there is more than one purchaser, that none of them is a United States Person or is acting on behalf of, or for the benefit of a United States Person.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date, in the Base Currency of the relevant Fund which payment shall be made by electronic funds transfer ("EBT") (net of bank handling charges and fees). If payment in full has not been received by the Settlement Date or in the event of non-clearance, any allotment of Shares made in respect of such application may, at the discretion of the Directors, following consultation with the Administrator, be cancelled. In such a case and notwithstanding cancellation of the application, the Company shall charge the applicant for any resulting loss incurred by the Company.

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholders and subject to the UCITS Directive, allot Shares of any class of a Fund against the vesting in the Company of investments which would form part of the assets of the relevant Fund. The number of Shares of a Fund to be issued in this way shall be the number which would on the day the investments are vested in the relevant Fund of the Company have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated on such basis as the Directors may decide, but such value cannot exceed the highest amount at which they would be valued by applying the valuation methods described under the heading "Determination of Net Asset Value" above.

Payment is due in the Base Currency of the relevant Fund. The Company may accept payment in other currencies, but such payments will be converted into the relevant Base Currency and only the proceeds of such conversion (after deducting expenses relating to such conversion) will be applied by the Company towards payment of the subscription moneys. The Company has standing arrangements for subscription moneys to be paid by EBT (net of bank handling charges and fees) as specified in the application form.

Payments by EBT should quote the applicant's name, bank, bank account number, Fund name and contract note number (if one has already been issued). Any charges incurred in making payment by EBT will be payable by the applicant.

Should investors prefer to make payment in any currency other than the relevant Base Currency, they are advised to make direct contact with the Administrator.

Applications for Shares may be made for specified amounts in value. Fractions of not less than 0.01 of a Share may be issued.

Subscription moneys representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The application form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities for any loss suffered by the Company, the Administrator or the other Shareholders as a result of an applicant or applicants acquiring or holding Shares in the Company in breach of the laws and regulations of any competent jurisdiction.

Applications will not be accepted directly from individuals unless the individual can satisfy the Company that he has received advice from his financial adviser that investment in the relevant Fund is suitable for him.

The Directors may decline any application for Shares in whole or in part without assigning any reason therefore and will not unless otherwise determined by or on behalf of the Directors, accept an initial subscription for Shares of any amount which is less than the Minimum Initial Subscription set out in the Relevant Supplement for the relevant Fund. If an application is rejected, the Company, at the risk of the applicant, will return application moneys or any balance within 28 Business Days of the rejection or, at the cost of the applicant, by EBT.

The Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and/or to vary the Valuation Point for the subscription of Shares relating to any Fund. Shareholders will be notified in advance of any such change.

All Shares issued will be in registered form. Written confirmation of the execution of an application for the subscription of Shares will be sent to Shareholders by the Administrator along with the written confirmation of ownership usually within one Business Day (and no later than 10 Business Days) after the Dealing Day on which Shares are allotted subject to receipt of payment in respect of such Shares.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Each of the Company, the Master Distributor, the Distributors and the Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. By way of example an individual may be required to produce a copy of a passport or photo identification card with signature included duly certified by a notary public, together with two forms of address verification. This can be supplied as one of the following options: original or certified copies of two different utility bills no greater than three months old or original or certified copy of utility bill and bank statement no greater than three months old. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company, the Master Distributor, the Distributors or the Administrator may refuse to forward or process the application or, in the case of any Shareholder who has not provided such verification, the Company may compulsorily redeem the Shares.

Investors should note that they may be unable to purchase or redeem Shares through an agent, broker or distributor on days that such parties are not open for business.

Umbrella Cash Accounts

Umbrella Cash Accounts have been established in respect of the Company and the Funds as a consequence of the introduction of new Central Bank requirements relating to the subscription and/or redemption collection accounts pursuant to the Investor Money Regulations 2015. The Investor Money Regulations took effect from 1 July 2016. The following is a description of how such Umbrella Cash Account arrangements are expected to operate, in accordance with the Articles. These Umbrella Cash Accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to Umbrella Cash Accounts.

Subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders (together, “Investor Monies”) will be held in a single Umbrella Cash Account in respect of a particular currency. The assets in the Umbrella Cash Account will be assets of the Company (for the account of the relevant Fund).

Where a Fund operates on a cleared fund basis, if subscription monies are received by a Fund in advance of the issue of Shares (which occurs on the relevant Dealing Day), then such monies will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund until Shares are issued. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. Accordingly, the subscribing investors will be exposed to the credit risk of the institution at which the Umbrella Cash Account has been opened. Such investors will not become Shareholders and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account, and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For further information on the risks associated with the operation of Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the “Investment Risks” section herein.

Subscriptions by, and Transfers to, United States Persons

Notwithstanding the foregoing, the Directors may authorise the purchase by, or transfer of Shares to, a United States Person provided, however, that:

1. such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of States of the United States;
2. such purchase or transfer would not require the Company to register under the 1940 Act; and
3. there will be no adverse tax consequences to the Company or the Shareholders as a result of such a purchase or transfer.

In addition, the Directors may authorise the purchase by, or transfer of Shares to, a United States Person resident outside the United States if the United States Person declares that it is making its application as a “professional discretionary fiduciary” or otherwise for the beneficial account of a person who is not a United States Person.

Each applicant for Shares who is a United States Person will be required to provide such representation, warranties or documentation as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of United States Persons who may be admitted into the Company and currently will not normally permit the number of holders of such Shares who are United States Persons to exceed 100.

The Directors may receive information about investments by United States Persons and subsidiaries of United States Persons and shall have the authority to refuse applications for Shares or require compulsory redemptions of Shares where the level of investment proposed, or held as a result of redemptions by other Shareholders, would exceed that permitted by the Directors in respect of United States Persons or subsidiaries of United States Persons.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Fund, and the Net Asset Value per Share in each Fund, shall be calculated by the Administrator in the Base Currency of the relevant Fund. To the extent specified in the Relevant Supplement, the Net Asset Value per Share in each Fund shall be calculated by the Administrator as of the Valuation Point on each Dealing Day in accordance with the valuation provisions set out in the Articles and summarised below.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the gross assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all provisions and allowances for contingencies as the Administrator considers appropriate in respect of the costs and expenses payable in relation to the relevant Fund.

In the event that a Fund is further divided into different classes of Shares, the amount of the Net Asset Value of the Fund attributable to a class shall be determined by establishing the number of Shares issued in the class at the relevant Valuation Point and by allocating the relevant fees and Class Expenses to the class and making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly.

The Net Asset Value per Share in respect of a Fund will be calculated by dividing the Net Asset Value of the relevant Fund by the number of Shares of the relevant Fund in issue. In the event that a Fund is further subdivided into different classes of Shares, the Net Asset Value per Share in respect of a class will be calculated by dividing the Net Asset Value of the relevant class by the number of Shares of the relevant class in issue.

The Net Asset Value per Share of each class will be published by the Company on the following website: <https://totalaccess.westernasset.com>, made available from the Administrator and made available to the public on Reuters and Bloomberg.

The Articles provide for the methods of valuation of the assets and liabilities of each Fund. The Net Asset Value of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund shall be calculated, where appropriate, using the amortised cost method. The assets of the Western Asset Euro Liquidity Fund having a residual maturity of 90 days or less shall be calculated, where appropriate, using the amortised cost method. This method involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium. The Directors shall continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Fund's investments will be valued at their fair value as determined in good faith by the Directors.

The review of the amortised cost method of valuation relative to the market valuation of each Fund's assets will be carried out in accordance with the Central Bank Regulations. The Administrator will carry out a weekly review to identify any discrepancies between the market value and the amortised cost value of each Fund's portfolio. The Company has escalation procedures in place to ensure that material discrepancies between the market value and the amortised value of any Money Market Instrument are brought to the attention of the Investment Manager and/or the Sub-Investment Manager. In addition, discrepancies in excess of:

- (i) 0.1% between the market value and the amortised cost value of the portfolio are brought to the attention of the Directors, the Investment Manager and/or the Sub-Investment Manager and the Depositary.
- (ii) 0.2% between the market value and the amortised cost value of the portfolio are brought to the attention of Directors and the Depositary.
- (iii) 0.3% between the market value and the amortised cost value of the portfolio require a daily review of the relevant Fund's portfolio to take place. The Directors will notify the Central Bank with an indication of action, if any, which will be taken to reduce such deviation.

The Company keeps these escalation procedures under review.

The Directors will monitor the use of the amortised cost method of valuation in order to ensure that this method continues to be in the best interests of the Shareholders and to provide a fair valuation of the investments of the Funds. There may be periods during which the stated value of an instrument determined under the amortised cost method of valuation is higher or lower than the price which the Fund would receive if the instrument were sold, and the accuracy of the amortised cost method of valuation can be affected by changes in interest rates and the credit standing of issuers of the Fund's investments.

Monthly portfolio analysis incorporating stress testing to examine portfolio returns under various market scenarios to determine if the portfolio constituents are appropriate to meet pre-determined levels of credit risk, interest rate risk, market risk and investor redemptions will be carried out. The results of the periodic analysis are made available to the Central Bank on request.

In the event that the Directors determine not to apply the amortised cost method of valuation to a particular Fund and for assets of the Western Asset Euro Liquidity Fund having a residual maturity in excess of 90 days, in determining the value of the assets of a Fund, where an investment is listed or dealt in on a Recognised Market, its value shall be based on the last traded price available to Directors as at the Valuation Point. Where such asset is listed or dealt in on more than one Recognised Market the Directors shall select one which the Directors determine provides the fairest criteria for the purposes of valuation. The value of any investment which is not normally listed or dealt in on a Recognised Market or of any investment which is normally listed or dealt in on a market but in respect of which no price is currently available or the price does not in the opinion of the Directors represent fair market value, shall be the probable realisation value of the investment as ascertained by or on behalf of the Directors with care and in good faith at the relevant Valuation Point with the approval of the Depositary. For this purpose the Directors may accept a certified valuation of such investment by an independent person making a market in such investment and qualified in the opinion of the Directors with the approval of the Depositary to provide such certificate. In the event of no independent person being available, the Directors may rely on the valuation of the relevant investment provided by the Investment Manager, Sub-Investment Manager or any related duly competent person.

Valuation of specific types of Securities and Instruments

The value of units or shares or other similar participation in any collective investment schemes which provides for the units or shares or other similar participation therein to be redeemed at the option of the holder out of assets of that undertaking shall be valued at the last available net asset value per unit or share or other participation as at a Valuation Point or (if bid or offer prices are published) in the case of subscriptions the last available bid or offer price as at a Valuation Point.

The value of cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Directors are of the opinion that the same is unlikely to be repaid or received in full in which case the value of such asset shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value of the asset at any Valuation Point.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount of such asset after making such discount as the Directors may consider appropriate to reflect the true value of such asset as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued on a "straight line" basis by which the difference between their gross costs and their value at maturity (including interest accrued at maturity) is divided by the number of days from acquisition to maturity and an appropriate sum is added daily as from the date of acquisition and totalled as at each Valuation Point.

Forward foreign exchange and interest rate swap contracts shall be valued in accordance with the provisions applicable to OTC derivatives transactions described below, or by reference to freely available market quotations.

The value of any OTC derivatives transactions will be valued either using the counterparty's valuation, or an alternative valuation, including valuation by the Investment Manager, Sub-Investment Manager or by an independent pricing vendor, who shall be appointed by the Directors and approved for such purpose by the Depositary. OTC derivatives transactions shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty and approved by the Depositary on a weekly basis. If using an alternative valuation, the Company will follow international best practice and adhere to the principles on valuation of OTC derivatives transactions established by bodies such as IOSCO and AIMA. In the event that the Company opts to use an alternative valuation, such alternative valuation will be reconciled with the counterparty's valuation on a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.

The value of any futures contracts, share price index futures contracts and options which are dealt in on an exchange shall be calculated by reference to the price appearing to the Directors with the approval of the Depositary to be the settlement price as determined by the market in question as at a Valuation Point, provided that where it is not the practice for the relevant market to quote a settlement price or such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation value of such assets as ascertained by or on behalf of the Directors with the care and in good faith at the relevant Valuation Point with the approval of the Depositary.

If in any case a particular value is not available or ascertainable as set out above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion shall determine with the approval of the Depositary.

For Class D, Class S and Class WA (Distributing) Shares of the Western Asset Sterling Liquidity Fund, the Western Asset US Dollar Liquidity Fund and the Western Asset Euro Government Liquidity Fund, the Directors shall operate procedures designed to stabilise the Net Asset Value of each Share at the subscription price that is one unit of currency per Share in the relevant Base Currency through, inter alia, the adoption of the amortised cost method for calculating Net Asset Value per Share. Any special valuation provisions applicable to any particular class of Share are summarised in the Relevant Supplement for the relevant Fund.

EXCHANGE PRIVILEGE

Shares in a Fund (the “Original Fund”) may be exchanged for the same class of Shares in another Fund of the Company which is at the time of the exchange so rated and which are being offered at that time (the “New Fund”) by giving notice to the Administrator, or a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank, on behalf of the Company on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator or a Sub-Distributor, as the case may be, may however at its discretion agree to accept requests for exchange received after that time provided they are received by the relevant Valuation Point. Shares may not, unless otherwise determined by the Directors, be exchanged for Shares of another class in the same Fund or another Fund of the Company. The general relevant provisions and procedures relating to redemptions and subscriptions will apply equally to exchanges.

The number of Shares of the New Fund to be issued on an exchange will be calculated by reference to the Net Asset Value per Share of the Original Fund and the Net Asset Value per Share of the New Fund on the relevant Dealing Day and, if appropriate, by applying a currency exchange factor, determined by the Directors to be the effective rate of exchange for settlement on the relevant Dealing Day.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the Net Asset Value of the Shares exchanged is equal to or exceeds any minimum holding amount for the relevant Fund specified in the Relevant Supplement. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding amount for the relevant Fund as specified in the Relevant Supplement.

REDEEMING SHARES

Shareholders may arrange to redeem all or some of their Shares on any Dealing Day. The redemption price will be the Net Asset Value per Share of the relevant class at the Valuation Point on the relevant Dealing Day. If a redemption order reduces the shareholding to below any minimum holding amount required in respect of a Fund and specified in the Relevant Supplement, such order may be treated as an order to redeem the entire shareholding. A Fund may apply a redemption or transaction fee on Share redemptions in such amount as shall be specified in the Relevant Supplement.

If the Company receives aggregate requests for the redemption of Shares in any Fund in respect of 10% or more of the Net Asset Value of the relevant Fund on any Dealing Day, the Company may elect to restrict the value of Shares redeemed in the Fund to 10% of the Net Asset Value of the Fund or such higher percentage (or volume of Shares or amount) as the Directors may determine, in which case all requests will be scaled down on an equal basis to ensure that the 10% limit is observed and the remaining balance, subject to any such restriction, will be redeemed on the next Dealing Day in priority to any redemption requests received subsequently. The Articles contain special provisions with respect to a redemption request received from a Shareholder which would result in Shares representing more than 5% or such higher percentage (or volume of Shares or amount) as the Directors may determine of the Net Asset Value of any Fund being redeemed by a Company on any Dealing Day. In such case, the Company may satisfy the redemption request in whole or in part by distribution of investments of the relevant Fund in specie, provided that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the Company to procure the sale of such underlying investments on their behalf in which case the Shareholder will receive the proceeds net of all fiscal Duties and Charges incurred in connection with the sale of such underlying investments.

The Company may satisfy any redemption request in whole or in part by a transfer to the redeeming Shareholder of the assets of the Company in specie, provided that the relevant Shareholder consents to such transfer and the Depositary confirms that the transfer will not materially prejudice the interests of the remaining Shareholders.

Redemption requests may be given by fax or telephone to be received by the Administrator, or a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank, not later than the Dealing Deadline for the relevant Dealing Day. Otherwise, at the option of the Directors and provided the request was received before the relevant Valuation Point, redemption will be effected on the next succeeding Dealing Day.

If redemption requests are made by fax or telephone the original of the redemption form must follow by post to the Administrator, or a Sub-Distributor for onward transmission to the Administrator in accordance with the requirements of the Central Bank. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Fund.

Shareholders will be notified in writing of the confirmation of the execution of an application for the redemption of Shares by the Administrator and such notification will be dispatched promptly by the Administrator. Redemption proceeds, which will be denominated in the relevant Base Currency, will be paid by the Administrator on the Settlement Date and paid by EBT (net of handling charges and fees) to the relevant shareholder at his risk and cost, unless payment has been suspended in the circumstances described under "Temporary Suspension of Dealings" below. Payment shall be made to the account on record only. Any changes to the account on record may only be made upon receipt of original signed instructions.

TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time, temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, redemption or exchange of Shares of any class during:

- (a) any period when any Recognised Market on which a substantial part of the investments in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) any period when, as a result of political, military, economic or monetary events or other circumstances outside the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Fund is not reasonably practicable, without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, redemption prices cannot fairly be calculated;
- (c) any breakdown in the means of communication normally employed in determining the value of any of Company's investments and other assets or when for any other reason the current prices on any Recognised Market of any assets of the relevant Fund cannot be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the transfer of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or
- (e) any other period where, in the opinion of the Directors, circumstances require such a suspension and it is justified having regard to the interests of the Shareholders.

Notice of any such suspension shall be published by the Company on the following website: <https://totalaccess.westernasset.com> and through such other media as the Directors may from time to time determine, and shall be transmitted immediately and in any event, within one Business Day, to the Shareholders. In addition, the Central Bank will be notified without delay of any temporary suspension of dealings. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Business Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Shareholders should note that suspension may impact dealing requests already received by the Administrator or a Sub-Distributor, as the case may be. Where possible, reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

TRANSFER OF SHARES

All transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form and every form of transfer must state the full name and address of each of the transferor and the transferee. The instrument must be signed by or on behalf of the transferor. The Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an application form with respect to the relevant Shares and any original supporting documentation in relation to anti money laundering requirements and otherwise and the declaration required by the Irish Revenue Commissioners to the satisfaction of the Directors. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however that such registration shall not be suspended for more than 30 days in a year.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) in the absence of satisfactory evidence that the proposed transferee is not a U.S. Person (other than pursuant to an exemption available under the laws of the United States); (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative burden to the Company or the Shareholders; (c) in the absence of satisfactory evidence of the transferee's identity; or (d) where the Company is required to redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters.

In the event that the Company does not receive the declaration required by the Irish Revenue Commissioners in respect of the transferee, the Company will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation - Ireland" below.

MANDATORY REPURCHASE OF SHARES

The Articles give powers to the Directors to impose restrictions on the holding of Shares by, (and consequently to redeem Shares held by) or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary for the collection of Irish tax to redeem and cancel Shares held by a person who is or is deemed to be or is acting on behalf of an Irish Resident who is not an Exempt Investor on the occurrence of a chargeable event for Irish taxation purposes.

Specifically in relation to U.S. Persons, the Funds have not been registered under the 1940 Act or the 1933 Act and may not be offered for sale and will not be sold in the United States of America, its territories or possessions or to U.S. Persons. Investors will be required to complete a purchase application or other documentation which represents that the purchaser is not a U.S. Person. The Company reserves the right to enforce compulsory redemption of Shares held by such persons at any time.

Shareholders are required to notify the Company immediately in the event that they become Irish Residents or U.S. Persons, or cease to be Exempt Investors, or the declaration required by the Irish Revenue Commissioners made by or on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents or U.S. Persons, or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders.

Where the Company becomes aware that a Shareholder is: (a) a U.S. Person or is holding Shares for the account of a U.S. Person (other than pursuant to an exemption available under the laws of the United States); or (b) holding Shares in breach of any law or requirement of any country or governmental authority or that any person is not qualified to hold such Shares by virtue of such law or requirement or that such Shares are held by any person whose holding of

Shares may prejudice the tax status or residence of the Company, the Directors may appoint an agent to effect the compulsory redemption or transfer of Shares if the holder of Shares fails to act within 21 days of the serving of a notice on such holder by the Director requiring it to do so.

TERMINATION OF FUNDS OR SHARE CLASSES

The Company is established for an unlimited period and may have unlimited assets in its Funds. However, the Company may redeem all of the Shares of any Fund or class in issue if the Net Asset Value of the relevant Fund or class does not exceed or falls below EUR 1,250,000 (or its foreign currency equivalent) or such other amount as the Directors may determine or in the event that the Directors determine that it is no longer economically viable or possible to meet the investment objectives of any Fund or class and termination would be in the best interests of the relevant Shareholders.

MANAGEMENT AND ADMINISTRATION

The Directors and Secretary

The Directors are responsible for managing the affairs of the Company. The Directors have delegated: (a) the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Administrator; (b) the safe-keeping of the Company's assets to the Depositary; (c) the investment, management and disposal of the assets of each Fund to the Investment Manager, who has in turn sub-delegated some of these responsibilities to the Sub-Investment Manager; and (d) the marketing, distribution and sale of Shares to the Master Distributor with the power to sub-delegate these responsibilities to such companies or persons as it may from time to time determine and who has appointed the Distributors.

The Directors are listed below with their principal occupations. The Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not provide for retirement of Directors by rotation. However, the Directors may be removed by the Shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Act 2014. The address of the Directors is the registered office of the Company.

Mr. Joseph Carrier is the Chief Risk Officer and Chief Audit Executive for Legg Mason. Prior to joining Legg Mason, he was Vice President and Division Head of Investment Operations at T. Rowe Price and Treasurer and Principal Financial Officer of the T. Rowe Price Mutual Funds. Before joining T. Rowe Price, he served as the Industry Chairman for Coopers & Lybrand's Investment Management practice in the United States. He has also served as Assistant Chief Accountant in the Division of Investment Management with the SEC. Mr. Carrier is the Chairman of the Investment Company Institute's Risk Management Committee, a former member of the Investment Companies Expert Panel of the AICPA, and the immediate past chair of the Accounting/Treasurer's Committee of the Investment Company Institute. He was also a member of the AICPA's Investment Companies Committee from 1994-1997 and a contributing author to the Audit and Accounting Guide for Investment Companies.

Mr. Brian Collins joined Bank of Ireland (Corporate Banking) in 1972 where he held various management positions. From 1986 to 1992, Mr. Collins served as General Manager and Managing Director of Bank of Ireland's Hong Kong business and was primarily engaged in Treasury, Corporate and Trade Finance before his appointment as Managing Director of Bank of Ireland International Finance in 1992 where he served until 1996. From 1996 until July 2004, Mr. Collins served as Managing Director of Bank of Ireland Securities Services where he had responsibility for client assets in excess of €120 billion and was a member of the Bank of Ireland Group Operating Risk Committee. Since that date Mr. Collins has served as an independent director for a number of Irish collective investment schemes. Mr. Collins was formerly Chairman of the Dublin Funds Industry Association and Chairman of the Taoiseach's Fund Industry Committee.

Ms. Fionnuala Doris is a lecturer in the Department of Economics, Finance and Accounting in Maynooth University, Ireland. She lectures in Audit & Assurance and Management Accounting at undergraduate and postgraduate level. Ms. Doris also undertakes research in the area of Auditing Practices and supervises postgraduate students in their research. Prior to joining Maynooth University, Ms. Doris was Financial Controller and Company Secretary of Temple Bar Properties Ltd, Dublin from 1999 to 2001. She trained with PricewaterhouseCoopers, Dublin from 1993 to 1996 and worked as an Audit Manager in their Asset Management group until 1999 where she specialised in the audit of UCITS funds. Ms. Doris holds a BA in Economics from University College Dublin (1992), a Postgraduate Diploma in Accounting from Dublin City University (1993) and is a Fellow of the Institute of Chartered Accountants in Ireland.

Mr. Joseph Keane provides consultancy services on behalf of CFO.IE to the mutual and hedge fund industry and acts as an independent director to fund companies. From March 2004 through April 2007, he was Chief Financial Officer of the Vega Hedge Fund Group. In 2002, he founded CFO.IE, and he acted as its Chief Executive Officer through February 2004. He was Head of Operations for SEI Investments, Global Fund Services from 2000 to 2002 and prior to that Managing Director of ABN AMRO Trust Company (Cayman) in the Cayman Islands from 1995 to 2000. He is a Fellow of the Institute of Chartered Accountants in Ireland. Mr. Keane has thirty years' experience in investment funds' management and administration, banking and public accounting.

Mr. Joseph LaRocque is a Managing Director of Legg Mason, which he joined in 2001. He is also Vice President of Legg Mason Investor Services, LLC and a director of Legg Mason Investments (Europe) Limited. He also serves as a

director of a number of Legg Mason's international entities and non-U.S. mutual funds. He is a certified public accountant and from 1991 to 2001 was employed by PricewaterhouseCoopers in several capacities, most recently as a Senior Manager in their global financial services practice.

Ms. Jane Trust is a Managing Director at Legg Mason. She acts as the Trustee, President and Chief Executive Officer of Legg Mason-sponsored funds domiciled in the US. She has worked at various roles in the Legg Mason Group for over 25 years, including senior investment roles within Legg Mason Capital Management ("LMCM") and Legg Mason Investment Counsel ("LMIC"). Ms. Trust was an Institutional Portfolio Manager for LMCM, managing accounts on behalf of sovereign wealth funds, pension plans, public funds and mutual funds. At LMIC, Ms. Trust was Head of Investments, supervising a team of equity and fixed income portfolio managers and overseeing the firm's trading desk. She is a CFA® charterholder.

As of the date hereof, no Directors or connected person has any interest, direct or indirect, in the share capital of the Company. No Director has any interest in any transaction which has been effected by the Company and which is unusual in its nature or conditions or of significance to the business of the Company.

None of the Directors has any unspent convictions, has been declared bankrupt, or has been the subject of an individual voluntary arrangement or a receivership of any assets held by such person. None of the Directors was a director with an executive function of any company at the time of or within the 12 months preceding its bankruptcy, receivership administration, liquidation administration, company voluntary arrangement or composition or arrangement with its creditors generally. There have been no public criticisms of any of the Directors by any statutory or regulatory authority and no Director has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company. No Director was a partner of any partnership at the time or within 12 months preceding its compulsory liquidation, administration or partnership voluntary arrangement. No Director has had a receiver appointed over any of his assets or of any of the assets of a partnership of which he was a partner within 12 months after he ceased to be a partner of that partnership.

A memorandum detailing the names of all companies and partnerships of which the directors of the Company have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of J & E Davy, Davy House, 49 Dawson Street, Dublin 2, Ireland.

The Company Secretary is Bradwell Limited, 10 Earlsfort Terrace, Dublin 2, Ireland.

The Promoter

Western Asset Management Company Limited acts as promoter of the Company. Western Asset Management Company Limited is an indirect wholly-owned subsidiary of Legg Mason and is organised under the laws of England and Wales. Legg Mason is a global asset management firm providing asset management services through its subsidiaries (collectively, the "Legg Mason Group"). The Legg Mason Group collectively had approximately US\$672 billion in assets under management as of 30 September 2015.

The Investment Manager

Pursuant to the Investment Management Agreement dated 1st May 2006, as amended by an amendment agreement dated 6th March 2009, between the Company and the Investment Manager (the "Investment Management Agreement"); the Company has, in respect of the Funds, delegated its investment management functions to Western Asset Management Company. The Investment Manager is a wholly owned subsidiary of Legg Mason and is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). Collectively, Western Asset (including the Investment Manager, the Sub-Investment Manager and other Western Asset entities) had approximately USD424.7 billion in total assets under management as of 30 November 2016. The Company agrees to indemnify the Investment Manager and keep it indemnified from and against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Investment Manager including all legal, professional and other expenses incurred by the Investment Manager, except in the case of negligence, wilful misfeasance, bad faith or reckless disregard in the performance or non-performance of the Investment Manager's obligations or functions. The appointment of the Investment Manager shall continue in full force and effect unless and until terminated at any time by either party on not less than ninety days' written notice to the other party. Either party shall be entitled to terminate the Investment Management Agreement immediately upon written notice to the other party in the event of the winding up or the appointment of an examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, the inability of the other party to perform its obligations under applicable law, or either party

failing to remedy a breach of this Agreement (if capable of remedy) within 30 days after service of notice requesting it to do so.

Under the Investment Management Agreement, the Investment Manager is, subject to the prior approval of the Company, entitled to engage one or more investment advisers or other parties for the purposes of assisting it in carrying out their duties as Investment Manager or otherwise, provided that such delegation or sub-contract is in accordance with the requirements of the Central Bank and shall terminate automatically on the termination of the applicable Investment Management Agreement and provided further that the Investment Manager shall remain responsible and liable for any acts or omissions of any such delegate as if such acts or omissions were those of the Investment Manager.

The Sub-Investment Manager

Pursuant to a Sub-Investment Management Agreement dated 1st May 2006, as amended by an amendment agreement dated 6th March 2009, between the Investment Manager and the Sub-Investment Manager (the "Sub-Investment Management Agreement"), Western Asset Management Company has, in respect of the Funds, appointed Western Asset Management Company Limited as sub-investment manager. The Sub-Investment Manager is also registered as an investment adviser with the SEC under the Advisers Act and is authorised and regulated by the Financial Conduct Authority of the United Kingdom. The Sub-Investment Manager has permission to passport its services within Europe (including Ireland) under the European Markets in Financial Instruments Directive. The Investment Manager agrees to hold harmless and indemnify the Sub-Investment Manager against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Sub-Investment Manager by reason of the performance of its obligations or functions under the terms of the Sub-Investment Management Agreement except for those that arise from the wilful misfeasance, bad faith, negligence or reckless disregard in the performance or non-performance of the Sub-Investment Manager's obligations and functions. The appointment of the Sub-Investment Manager shall continue in full force and effect unless and until terminated at any time by either party on not less than ninety days' written notice to the other party. Either party shall be entitled to terminate the Sub-Investment Management Agreement immediately upon written notice to the other party in the event of the winding up of the other party or the appointment of an examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, the inability of the other party to perform its obligations under applicable law, or either party failing to remedy a breach of this Agreement (if capable of remedy) within 30 days after service of notice requesting it to do so.

The Administrator

Pursuant to the administration agreement dated 1st April 1998 between the Company and the Administrator, as amended by an amendment agreement dated 14 March 2013, (the "Administration Agreement"), BNY Mellon Fund Services (Ireland) Designated Activity Company (as transferred from BNY Mellon Investment Servicing (International) Limited (formerly PNC Global Investment Servicing (Europe) Limited) pursuant to a merger by operation of law on 1 July 2016) has been appointed as the Administrator of the Company with responsibility for performing the calculation of the Net Asset Value, the provision of facilities for the certification and registration of Shares, the keeping of all relevant records and accounts of the Company and of each Fund as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, assisting the auditor in relation to the audit of the financial statements of the Company and preparing other types of reports, accounts and documents which the Company from time to time request.

The Administrator is a designated activity company limited by shares incorporated in Ireland on 31 May 1994 under registration number 218007. The Administrator's main business activity is the provision of administrative services to collective investment schemes and other portfolios. The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

This agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the negligence, wilful misfeasance, fraud, bad faith or reckless disregard by the Administrator, its directors, officers, employees, servants or affiliated agents of its or their duties.

The Administration Agreement can be terminated by any party on ninety days' written notice or immediately in certain circumstances described in the Administration Agreement.

The Depositary

The Company has appointed BNY Mellon Trust Company (Ireland) Limited as depositary pursuant to the depositary agreement dated 24 June 2016 between the Company and the Depositary (the "Depositary Agreement"). The Depositary is a private limited liability company incorporated in Ireland on 13 October 1994. The principal activity of the Depositary is to act as the depositary and trustee of collective investment schemes. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act, 1995 (as amended).

The Depositary is a wholly-owned indirect subsidiary of BNY Mellon. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 December 2015, it had US\$28.9 trillion in assets under custody and administration and US\$1.6 trillion in assets under management.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the Central Bank Regulations and the UCITS Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary is obliged, inter alia, to ensure that: (i) the sale, issue, repurchase and cancellation of Shares by or on behalf of the Company is carried out in accordance with the UCITS Regulations and the Articles; (ii) the value of Shares is calculated in accordance with the UCITS Regulations and the Articles; (iii) in each transaction involving the Company's assets any consideration is remitted to the Company within the usual time limits; (iv) the Company's income is applied in accordance with the UCITS Regulations and the Articles. The Depositary will carry out the instructions of the Company, unless they conflict with the UCITS Regulations or the Articles. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders and will make available and send to the Central Bank on request by it, any information and returns concerning the Company which the Central Bank considers it necessary to receive, including notifying the Central Bank promptly of any breaches required to be reported to the Central Bank.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations under the UCITS Regulations.

The Depositary has power to delegate certain of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Appendix IV hereto. The use of particular sub-delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

Up-to-date information regarding the identity of the Depositary, the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements (including any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation) will be made available to investors by the Company on request.

The Depositary Agreement may be terminated by either the Depositary or the Company giving not less than ninety days' written notice to the other party. The Company may terminate the Depositary Agreement forthwith in the event that: (i) the Depositary shall go into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Company which approval shall not be unreasonably withheld, delayed or conditioned) or being unable to pay its debts within the meaning of Section 570 of the Companies Act or in the event of the appointment of a receiver over any of the assets of the Company or if an examiner is appointed to the Company or if some event having an equivalent effect occurs; (ii) the Depositary fails to remedy a material breach of the Depositary Agreement within thirty (30) days of being requested to do so. The Depositary shall continue in office until a successor is appointed. The Depositary's appointment shall not terminate until revocation of the Company's authorisation by the Central Bank. The appointment of a new Depositary shall be subject to the approval of the Central Bank.

The Shareholder Servicing Agent

The Company has appointed Western Asset Management Company Limited as shareholder servicing agent pursuant to the shareholder servicing agreement dated 4th December 2007 (the "Shareholder Servicing Agreement") to provide certain shareholder services in connection with the Class WA Shares (summarised under the paragraph headed "Material Contracts" below).

The Shareholder Servicing Agreement provides that the appointment of Western Asset Management Company Limited as shareholder servicing agent will continue unless and until terminated by either party giving to the other not less than ninety days' notice. The Shareholder Servicing Agreement contains certain indemnities in favour of Western Asset Management Company Limited which are restricted to exclude matters arising by reason of negligence, wilful misfeasance, fraud, bad faith or reckless disregard on its part.

The Master Distributor and Distributors

Pursuant to a Master Distribution Agreement dated 6th March 2009 between the Company and the Master Distributor (the "Master Distribution Agreement"), the Company appointed Legg Mason Investor Services LLC to distribute the Funds of the Company. The Master Distribution Agreement provides that the appointment of the Master Distributor will continue unless and until terminated by either party giving to the other not less than 90 days' prior written notice and contains certain indemnities in favour of the Master Distributor from the Company and certain indemnities from the Master Distributor to the Company.

Pursuant to the Master Distribution Agreement, the Master Distributor may enter into distribution arrangements and must use due skill and care in the selection and use of any Distributors. In this regard the Master Distributor has appointed Legg Mason Investments (Europe) Limited and Western Asset Management Company Limited as Distributors of the Funds who may appoint one or more Sub-Distributors to assist with marketing and distributing the Funds.

The Paying Agents

Local regulations in EEA countries may require the appointment of Paying Agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription monies via an intermediary entity rather than directly to the Depositary bear a credit risk against the intermediate entity with respect to: (a) subscription monies prior to transmission of such monies to the Depositary for the account of the relevant Fund; and (b) redemption monies payable by such Paying Agent to the investors.

TAXATION

Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting, redeeming or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time of an investment in the Company will endure indefinitely.

Dividends and interest and capital gains on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreements in operation between Ireland and other countries. Consequently, the Company may not be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

Irish Tax Considerations

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA") so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

Chargeable Event

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct;

- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “intermediary” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Irish Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“Irish Resident”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:-

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

Deemed Disposals

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents as defined below, is 10% or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the relevant Fund held by such Shareholders is less than 10% of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading “Taxation of Irish Resident Shareholders”.

Irish Courts Service

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting

on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "Exempt Irish Resident":

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an

intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Irish Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent. Tax will also be deducted by the Company and remitted to the Irish Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41%. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Deemed Disposals

Tax will also be deducted by the Company and remitted to the Irish Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 % or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eighth year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 % of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company at the rate of 25% and where the Shareholder is not a company, at the rate of 41%. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

Residual Irish Tax Liability

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In

practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax, as the case may be, on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system,

however investors should note the section entitled "The OECD Common Reporting Standard" for information on additional investor information gathering and reporting requirements to which the Company is subject.

Overseas Dividends

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

Residence

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he / she is present in Ireland at any time during the day.

If an individual is not resident in the country in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, **provided** however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if: (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory; (b) it is managed and controlled in that relevant territory; and (c) it would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending five years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

Disposal of Shares and Irish Capital Acquisitions Tax

(a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

The OECD Common Reporting Standard

Ireland has implemented the “Standard for Automatic Exchange of Financial Account Information”, also known as the Common Reporting Standard (“CRS”), into Irish law.

The CRS is a new, single global standard on Automatic Exchange of Information (“AEI”) which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. Over 90 jurisdictions have committed to exchanging information under the CRS and a group of over 40 countries, including Ireland, have committed to the early adoption of the CRS. For these early adopters, the first exchange of information in relation to accounts coming into existence from 1 January 2016 and individual high value accounts in existence at 31 December 2015 is expected take place by the end of September 2017, with information about individual low value accounts in existence at 31 December 2015 and entity accounts is expected to first be exchanged either by the end of September 2017 or September 2018 depending on when financial institutions identify them as reportable accounts.

Shareholders should note that the Company is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder’s investment (including but not limited to the value of and any payments in respect of the Shares) to the Revenue Commissioners of Ireland who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Revenue Commissioners.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

United Kingdom Tax Considerations

The following summary is based on taxation law as enacted and practice understood to be applicable in the United Kingdom on the date of this Prospectus, is subject to changes therein and is not exhaustive. It does not constitute legal or tax advice and applies only to United Kingdom resident, and, in the case of an individual, ordinarily resident and domiciled persons holding Shares as an investment. Prospective investors should consult their own professional advisers on the implications of making an investment in, and holding or disposing of Shares and the receipt of distributions (whether or not on redemption) with respect to such Shares under the law of the countries in which they are liable to taxation.

It is not considered that the Company is resident in the United Kingdom for the purposes of United Kingdom taxation. It is intended that the Company’s affairs will be conducted in such a manner that it will not become resident in the United Kingdom for taxation purposes or liable to United Kingdom taxation on its profits.

Taxation of Income

According to their personal circumstances, individual Shareholders resident in the United Kingdom for tax purposes will, in general, be liable to income tax in respect of the gross amount of any income distributions or dividends of the Fund, whether or not such distributions are reinvested.

The attention of Shareholders subject to United Kingdom income tax is drawn to 378A Income Tax (Trading and Other Income) Act 2005 ('ITTOIA') which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. A distribution is treated as interest if the offshore fund, at any time during the "relevant period", holds more than 60% of its assets in the form of qualifying investments (the "qualifying investment test"). Qualifying investments include money placed at interest (other than cash awaiting investment), debt securities or certain other investments.

For United Kingdom individual investors, interest income will be subject to tax on such distributions at their appropriate income tax marginal rate. For shareholders subject to United Kingdom corporation tax, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. Accordingly, the relevant interest will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on that interest in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as a loan relationship debit or credit on a "fair value accounting" basis. In such a case, UK controlled foreign company rules should not apply.

In the event that the Company does not satisfy the qualifying investment test, dividends received by investors will be subject to United Kingdom income tax. The first £5,000 of dividends received by an individual subject to United Kingdom income tax falls within a 0% dividend tax allowance. Dividends in excess of the 0% dividend tax allowance are taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Special rules apply to United Kingdom resident individual Shareholders who are not domiciled in the United Kingdom or are resident but not ordinarily resident in the United Kingdom.

Shareholders who are subject to United Kingdom corporation tax should generally expect to be exempt from United Kingdom taxation in respect of dividends from the Fund subject to the qualifying investments test outlined above, and provided that the dividend income does not fall to be treated as trading income.

Special rules apply to Shareholders that are life insurance companies within the charge to United Kingdom taxation holding their Shares for the purposes of their long-term business.

Offshore Fund Rules

Pursuant to the Offshore Funds (Tax) Regulations 2009 (the "Regulations"), the Company is likely to constitute an 'offshore fund' for the purposes of the Regulations. HMRC has accepted the Company's application for certain Share classes to join the Reporting Fund regime and, where applicable, the Company intends to comply with the reporting requirements. For certain share classes which maintain a constant Net Asset Value as a result of the nature of the assets and the frequency with which the income is distributed, HMRC has confirmed that there is no requirement to comply with the annual reporting requirements provided certain conditions continue to be met. Further information is available on request.

In accordance with the Regulations, gains accruing to the Shareholder upon the sale or other disposal of that interest, including a deemed disposal on death, will be taxed at the time of such sale or other disposal as income for United Kingdom tax purposes unless the Funds are accepted as "Reporting Funds" throughout the period during which the investor holds an interest. If Reporting Fund status is obtained, a United Kingdom resident (or in the case of an individual, resident or ordinarily resident) the Shareholder will be subject to tax on reported income attributable to the Shareholder each year. Any gain accruing to the Shareholder on disposal of that interest will be subsequently taxed as capital gain, but any undistributed income relating to that interest that has been subject to tax is treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

Under current law a disposal of Shares (which includes a redemption) by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes should be taxed at the current capital gains tax rate of 10% or 20% depending on their personal circumstances. The principal factors that will determine the extent to which such capital gains will be subject to capital gains tax are the level of annual allowance of tax free gains in the year in which the disposal takes place, the extent to which the Shareholder realises any other capital gains in that year and the extent to which the Shareholder has incurred capital losses in that or any earlier tax year.

Holders of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will be taxed on any such gains at the applicable corporation tax rate (currently 20% for the tax year 2016/2017), but may benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

Shareholders who are neither resident nor ordinarily resident in the United Kingdom for taxation purposes should not generally be subject to United Kingdom taxation on any gain realised on any sale, redemption or other disposal of their Shares unless their holding of Shares is connected with a branch or agency through which the relevant Shareholder carries on a trade, profession or vocation in the United Kingdom.

Anti-Avoidance Provisions

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, as amended. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to United Kingdom taxation in respect of undistributed income and profits of the Company on an annual basis.

United States Federal Income Taxes

The following discussion is a general summary of certain U.S. federal tax consequences that may result to the Company and its Shareholders in connection with their investment in the Company. The discussion does not purport to deal with all of the U.S. federal tax income consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. The discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the U.S. Internal Revenue Code of 1986, as amended. Furthermore, the discussion assumes that no U.S. Person owns directly or indirectly, or is considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Shares of the Company or any Fund. The Company does not, however, guarantee that will always be the case. Investors should consult their own tax advisers regarding the tax consequences to them of an investment in the Company in light of their particular circumstances.

As used herein, the term "U.S. Holder" means a beneficial owner of Shares that is a U.S. Taxpayer (as defined in Appendix III).

The following discussion assumes for convenience that the Company, including each Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Company may adopt an alternative approach, treating each Fund of the Company as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service would agree with the position taken by the Company.

The Company

The Company intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Company. If none of the Company's income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including most forms of U.S. source interest income (e.g. interest and original issue discount on portfolio debt obligations (which may include United States Government securities, original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit), and capital gains (including those derived from options transactions), will not be subject to this 30% withholding tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Company may also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States. It is not anticipated that the Company will be eligible for a reduced rate of withholding tax or other benefits pursuant to the income tax treaty currently in force between the United States and Ireland.

Shareholders

The U.S. tax consequences to Shareholders of distributions from the Company and of dispositions of Shares generally depends on the Shareholder's particular circumstances, including whether the Shareholder conducts a trade or business within the United States or is otherwise taxable as a U.S. Holder.

U.S. Holders may be required to furnish the Company with a properly executed IRS Form W-9; all other Shareholders may be required to furnish an appropriate, properly executed IRS Form W-8. Amounts paid to a U.S. Holder as dividends from the Company, or as gross proceeds from a redemption of Shares, generally may be reportable to the U.S. Holder and the U.S. Internal Revenue Service on an IRS Form 1099 (except as otherwise noted below). Failure to provide an appropriate and properly executed IRS Form W-8 (in the case of Shareholders who are not U.S. Holders) or IRS Form W-9 (for Shareholders who are U.S. Holders) when required may subject a Shareholder to backup withholding tax. Backup withholding is not an additional tax. Any amounts withheld may be credited against a Shareholder's U.S. federal income tax liability. Shareholders will be required to provide such additional tax information as the Board of Directors may request from time to time.

U.S. tax-exempt entities, corporations, non-US Holders and certain other categories of Shareholders generally will not be subject to reporting on IRS Form 1099 or backup withholding, if applicable, provided that such Shareholders furnish the Company with an appropriate and properly executed IRS Form W-8 or IRS Form W-9, certifying as to their exempt status.

Passive Foreign Investment Company ("PFIC") Rules

The Company is expected to be a PFIC within the meaning of Section 1297(a) of the U.S. Internal Revenue Code of 1986, as amended. In addition, the Company may invest in other entities that are classified as PFICs. Thus, Shareholders may be treated as indirect shareholders of PFICs in which the Company invests. U.S. Holders are urged to consult their own tax advisors with respect to the application of the PFIC rules. The Company does not intend to provide U.S. Shareholders with the information necessary to make an effective "qualified electing fund" ("QEF") election.

Certain entities (including qualified pension and profit sharing plans, individual retirement accounts, 401(k) plans and Keogh plans ("Tax-Exempt entities")) generally are exempt from U.S. federal income taxation except to the extent that they have unrelated business taxable income ("UBTI"). UBTI is income from a trade or business regularly carried on by a Tax-Exempt entity which is unrelated to the entity's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Under current law, the PFIC rules apply to a Tax-Exempt entity that holds Shares only if a dividend from the Company would be subject to U.S. federal income taxation in the hands of the Shareholder (as would be the case, for example, if the Shares were debt-financed property in the hands of the Tax-Exempt entity). It should be noted, however, that proposed regulations appear to treat certain temporary and tax-exempt trusts (but not qualified plans) differently than other Tax-Exempt entities by treating the beneficiaries of such trusts as PFIC shareholders and thereby subjecting such persons to the PFIC rules.

Foreign Account Tax Compliance Act

FATCA was enacted in the United States in 2010. It introduces a number of new customer identification, reporting and tax withholding requirements applicable to foreign (i.e., non-U.S.) financial institutions ("FFIs") that are aimed at preventing citizens and residents of the United States from evading U.S. taxes by holding their assets in financial accounts outside of the United States with such FFIs. The term "FFI" is defined very broadly and therefore the Company (or the Funds) and certain Sub-Distributors are considered FFIs.

The following is a general discussion of the application of FATCA to the Company, the Funds and the Sub-Distributors, as well as existing and prospective investors or Shareholders of the Funds. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder's particular situation. Investors should consult their tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the Shares of the Funds, including the tax consequences under United States federal laws (and any proposed changes in applicable law).

FFI Agreements and FATCA Withholding

FATCA generally requires FFIs to enter into agreements ("FFI Agreements") with the U.S. Internal Revenue Service (the "IRS"), under which they agree to identify and report information to the IRS on any U.S. Reportable Accounts held by them. The IRS assigns a global intermediary identification number ("GIIN") to each FFI that has entered into an FFI Agreement, which confirms the FFI's status as a Participating FFI. If an FFI fails to enter into an FFI Agreement and is not otherwise exempt or deemed compliant, it will be treated as a nonparticipating FFI and may become subject to a 30% withholding tax on "withholdable payments" or (pursuant to future regulations, but in no event before 1 January 2019) "passthru payments" (as defined in FATCA) it receives (collectively "FATCA Withholding"), unless the

FFI complies with FATCA under other permissible alternatives, such as the alternative applicable to the Company (or the Funds) described below. Withholdable payments include generally (i) any U.S. source fixed or determinable annual or periodic income (“U.S. source FDAP income”) and (ii) effective 1 January 2019, the gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends that are U.S. source FDAP income. The term “passthru payment” is defined for purposes of section 1471 of the U.S. Internal Revenue Code of 1986, as amended, generally to include withholdable payments and certain payments that are attributable to withholdable payments made by an FFI as provided in future regulations.

Application of FATCA to the Company and the Funds

The governments of the United States and the Republic of Ireland have entered into an Intergovernmental Agreement (the “Irish IGA”) that establishes a framework for cooperation and information sharing between the two countries and provides an alternative way for FFIs in Ireland, including the Company (or, alternatively, the Funds), to comply with FATCA without having to enter into an FFI Agreement with the IRS. Pursuant to the Irish IGA, the Company (or each Fund) registers with the IRS as a Model 1 FFI (as defined under the FATCA Regulations) and is assigned a GIIN. Under the terms of the Irish IGA, the Company (or each Fund) will identify any U.S. Reportable Accounts held by it and report certain information on such U.S. Reportable Accounts to the Irish Revenue Commissioners, which, in turn, will report such information to the IRS.

Application of FATCA to Investors

Each existing and prospective investor in the Funds is expected to be required to provide the Administrator (or a Sub-Distributor when Shares are purchased through and held by a Sub-Distributor) a completed and signed IRS Form W-8, W-9 or other withholding certificate acceptable to the Administrator (or Sub-Distributor, as appropriate), as well as any other information required by them to determine whether such Shareholder is a holder of a U.S. Reportable Account or qualifies for an exemption under the FATCA Regulations. If Shares are held in a nominee account by a non-FFI nominee for the benefit of their underlying beneficial owner, the underlying beneficial owner is an accountholder under FATCA, and the information provided must pertain to the beneficial owner. In many cases, however, a nominee would be considered an FFI by reason of being a custodial institution.

Please note that the term “U.S. Reportable Account” under FATCA applies to a wider range of investors than the term “U.S. Person” under Regulation S of the 1933 Act. Please refer to the Definitions section of the Prospectus for definitions of both of these terms. Investors should consult their legal counsel or tax advisors regarding whether they fall under either of these definitions.

Reporting on U.S. Reportable Accounts

If an account is determined to be a U.S. Reportable Account, the accountholder will be required to provide to the Administrator (or Sub-Distributor, as appropriate) information required to be reported to the appropriate tax authorities under FATCA, including among other things, the full name, address, taxpayer identification number, information on account balances, and amounts of distribution and redemption payments to the Shareholder (or in the case of a Passive U.S. Controlled Foreign Entity, each Controlling U.S. Person). For Shares purchased directly from the Funds or otherwise held by the Shareholder, the Administrator will report the Shareholder’s information on behalf of the Funds to the Irish Revenue Commissioners, which, in turn, will report the Shareholder’s information to the IRS. For Shares purchased through and held by a Sub-Distributor, the Sub-Distributor will report the Shareholder’s information to the IRS or to their local taxing authorities in the case of Sub-Distributors located in a country that has entered into an Intergovernmental Agreement with the United States. Failure by a Shareholder to provide such information may result in its account being closed and such investor being subject to information reporting and/or withholding tax on “passthru payments” (see above “FFI Agreements and FATCA Withholding”) on any distribution payments received by the Shareholder from the Funds, as well as on the gross proceeds of redemption of its Shares in the Funds.

Application of FATCA to Sub-Distributors of the Funds

Sub-Distributors holding Shares on behalf of investors will be required to certify their compliance with FATCA by providing the Funds (i) an appropriate IRS Form W-8, W-9 or other withholding certificate acceptable to the Funds duly executed by an authorized representative of such Sub-Distributor; (ii) its GIIN, if applicable, as well as (iii) any other information required by the Funds to confirm such compliance with FATCA. Failure by a Sub-Distributor to provide such information may lead to closure of their accounts by the Administrator and imposition of FATCA Withholding on such accounts.

Implementation and Timing

FATCA establishes transition periods for the implementation of the FATCA Withholding. Withholding on payments of U.S. Source FDAP Income to new accounts opened by an FFI after 30th June 2014 begins on 1st July 2014. Withholding on payments of U.S. Source FDAP Income for accounts opened prior to 30th June 2014 begins on 1st July 2015 for accounts with balances exceeding US\$1 million and the 1st July 2016 for accounts with lower balances. Withholding on gross proceeds from the sale or other disposition of investments that produce dividends or interest that is U.S. Source FDAP Income begins on 1 January 2019. Withholding on passthru payments will begin on a date specified in future regulations, but in no event before 1 January 2019. However, it should be noted that there are uncertainties and possibilities that expectations regarding future rules relating to such passthru payments may be subject to change.

Other Tax Considerations

The foregoing discussion assumes, as stated above, that no U.S. Holder owns or will own directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all voting Shares of the Company or any Fund (any such U.S. Holder so holding such an interest is referred to herein as a "10% U.S. Shareholder"). If more than 50% of the equity interests in the Company were owned by 10% U.S. Shareholders, the Company would be a "controlled foreign corporation," in which case a 10% U.S. Shareholder would be required to include in income that amount of the Company's earnings to which the Shareholder would have been entitled had the Company currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Company.) Also, upon the sale or exchange of Shares, all or part of any resulting gain could be treated as ordinary income. Alternatively, if each Fund were treated as a separate entity for U.S. federal income tax purposes, the 10% ownership and controlled foreign corporation determinations would be made on an individual Fund basis. Similar rules could apply with respect to shares of any other non-U.S. corporations that are held by a Shareholder indirectly through the Company.

Reporting Requirements

U.S. Holders may be subject to additional U.S. tax reporting requirements by reason of their ownership of Shares. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and changes in ownership interest in, the Company and certain other foreign entities in which the Company may invest. A U.S. Holder also would be subject to additional reporting requirements in the event that it is deemed to own 10% or more of the voting stock of a controlled foreign corporation by reason of its investment in the Company. Alternatively, the determination of "controlled foreign corporation" and whether a U.S. Holder owns a 10% voting interest would be made on an individual Fund basis, if each Fund were to be treated as a separate entity for U.S. federal income tax purposes. U.S. Holders should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from an investment in the Company.

Tax Shelter Reporting

Persons who participate in or act as material advisors with respect to certain "reportable transactions" must disclose required information concerning the transaction to the U.S. Internal Revenue Service. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Company is not intended to be a vehicle to shelter U.S. federal income tax, and applicable regulations provide a number of relevant exceptions, there can be no assurance that the Company and certain of its Shareholders and material advisors will not, under any circumstance, be subject to these disclosure and list maintenance requirements.

U.S. State and Local Taxes

In addition to the U.S. federal income tax consequences described above, Shareholders should consider potential U.S. state and local tax consequences of an investment in the Company. U.S. state and local tax laws often differ from the U.S. federal income tax laws. Shareholders and potential investors are urged to consult their own tax advisors with respect to the application of U.S. state and local taxes, based on their particular circumstances.

FEES AND EXPENSES

The total annual operating expenses of each class of Shares are specified in the Relevant Supplement but in any event shall not exceed 1% per annum of the average daily Net Asset Value of a Fund on an annual basis and are payable in arrears. These expenses will cover all of the fees and expenses which may be charged against each Fund and which are described below:

- (i) fees and expenses payable to the Administrator;
- (ii) fees and expenses payable to the Investment Manager appointed in respect of such Fund;
- (iii) fees and expenses payable to the Depositary and at normal commercial rates to any sub-custodians appointed by the Depositary;
- (iv) any fees in respect of circulating details of the Net Asset Value;
- (v) stamp duties;
- (vi) taxes;
- (vii) company secretarial fees;
- (viii) rating fees (if any);
- (ix) brokerage or other expenses of acquiring and disposing of investments;
- (x) fees and expenses of the auditors, tax and legal advisers of the Company;
- (xi) costs of printing and distributing reports, accounts and any explanatory memoranda;
- (xii) any necessary translation fees;
- (xiii) costs of publishing prices;
- (xiv) any costs incurred as a result of periodic updates of the Prospectus or other fund documentation, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (xv) fees and expenses payable to the Paying Agents (at normal commercial rates) and the Master Distributor/the Distributors;
- (xvi) any other fees and expenses relating to the management and administration of the Fund or attributable to the Fund's investment in another investment portfolio, if any.

Directors who are employees and/or officers of Legg Mason Inc. or an affiliate of Legg Mason Inc. will not be entitled to remuneration for their services as Directors. The aggregate Directors' remuneration shall not exceed US\$250,000 per annum. All of the Directors will be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

The Company reserves the right to charge a redemption fee of up to 0.10% (ten basis points) if the Company believes that a Shareholder is redeeming Shares in any Fund for trading or arbitrage purposes.

The Investment Manager will be responsible for paying the fees and expenses of the Sub-Investment Manager. The Investment Manager may from time to time elect to decrease or increase the total annual expenses of any class of Shares by waiving or increasing the investment management fee payable to it by the Company. Shareholders shall be given one month's notice of any increase in the level of total annual expenses charged in respect of any Fund from the current level as stated in the Relevant Supplement.

The Company's organisational expenses have been fully amortised.

The Distributors may appoint one or more Sub-Distributors to assist with marketing and distributing the Funds. The Investment Manager, the Distributors or affiliates may make payments for distribution and/or Shareholder servicing activities out of its past profits or other available resources. The Distributors may also make payments, based on gross sales, current assets or other measures, for marketing, promotional or related expenses to Sub-Distributors. The amount of these payments is determined by the Distributors and may be substantial and may differ between Sub-Distributors. The minimum aggregate sales required for eligibility for such compensation, and the factors in selecting and approving authorised Sub-Distributors to which they will be made, are determined from time to time by the Distributors. The receipt of (or prospect of receiving) payments described above may cause a Sub-Distributor or its salespersons to favour sales of a Fund's Shares over the sale of other funds (or other investments) in which the Sub-Distributor does not receive such payments or receives them in a lower amount. These payment arrangements will not, however, change the price at which Shares are issued by the Funds or the amount that a Fund receives to invest on behalf of the Shareholders. A Shareholder may wish to consider such payment when evaluating any recommendations of the Funds.

The payments described in the preceding paragraph are often referred to as “revenue sharing arrangements”. The recipients of such payments may include the Distributors, Sub-Distributors, affiliates of the Investment Manager, broker-dealers, financial institutions and other financial intermediaries through which investors may purchase Shares. In some circumstances, such payments may create an incentive for an intermediary or its employees or associated persons to recommend or sell Shares to investors. Investors should contact the relevant intermediary for details about revenue sharing payments it may receive.

The Master Distributor or the Distributors may enter into agreements with certain insurance companies or other intermediaries that offer their own product for subscription, for the inclusion of certain of the Funds within such product offering. In certain such cases, such agreements may be limited to the inclusion of a class of Shares of a Fund which is subject to a distribution fee that may be higher than other available Share classes of that Fund. Such insurance companies or other intermediaries may also benefit from additional payments from the Master Distributor or the Distributors or their affiliates under revenue sharing arrangements.

Remuneration Policy of the Company

The Company has adopted a remuneration policy as required by the UCITS Regulations (the “Remuneration Policy”). As at the date of this Prospectus, the Remuneration Policy applies to those Directors who receive a fee for their services to the Company. Due to the size and internal organisation of the Company and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Company. Any fee arrangements with individual Directors of the Company shall be subject to the approval of the Board of Directors. Please see the section entitled “Fees and Expenses” for details of the fees and expenses payable to the Directors. Further information on the current remuneration policy of the Company, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, is available at <http://qa.leggmasonglobal.com/remuneration-policies/index.aspx>. A paper copy of this information is available free of charge upon request from Legg Mason Investments (Europe) Limited.

Minimum Viable Size

Each Fund must achieve a Net Asset Value of at least US\$20 million or such other amount as may be determined by the Directors and notify to Shareholders in the Fund from time to time (the “Minimum Viable Size”) within 24 months of its launch. In the event that a Fund does not reach the Minimum Viable Size within such period, or subsequently drops below such Minimum Viable Size following such period, then upon prior written notice the Company may redeem any Shares in issue in the Fund and return the redemption proceeds to Shareholders.

GENERAL

Conflicts of Interest

The Company has policies designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest and when they cannot be avoided, that the Company and its Shareholders are fairly treated.

Subject to the provisions of this section, the Depositary and the delegates or sub-delegates of the Depositary or the Company (excluding any non-group company sub-custodians appointed by the Depositary) and any associates or group companies of the Company, the Depositary, a delegate or sub-delegate, including the Administrator, the Investment Manager, the Sub-Investment Manager, the Master Distributor, the Distributors, the Sub-Distributors and any of their respective subsidiaries, affiliates, associates, agents or delegates ("Connected Persons" and each a "Connected Person") may contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company in securities of a Shareholder or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions and in particular, without limitation, they may invest in and deal with Shares relating to any Fund or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else. A Connected Person may also from time to time have a position in, or underwrite or deal in, one or more of the securities on which the Investment Manager or Sub-Investment Manager has provided investment advice to the Company.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts 1942 to 1998, of Ireland (as amended by the Central Bank and Financial Services Authority of Ireland Act 2003), with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions, including foreign exchange transactions, may also be undertaken with or through a Connected Person.

Conflicts of interest may arise as a result of transactions in FDI and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Company or the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with the Investment Manager, Sub-Investment Manager, or the Depositary or any subsidiary, affiliate, associate, agent or their respective delegates.

There will be no obligation on the part of any Connected Person to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if negotiated at arm's length and are in the best interests of Shareholders. Any transaction between the Company and a Connected Person may only be entered if at least one of the conditions in paragraphs (a), (b) and (c) below are met:

- (a) the valuation of such transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary;
- (b) execution is on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) execution is on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, are satisfied are negotiated at arm's length and are in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

A Connected Person may also engage in other activities involving or affecting the securities in which the Funds will invest. In particular Connected Persons may be involved in origination of transactions concerning such securities, underwriting such securities and acting as broker/dealer in respect of such securities. In addition, a Connected Person

may perform other services for portfolio companies and receive fees, commissions and other remuneration therefore. In conjunction with their various activities, Connected Persons may come into possession of confidential information that could, if known to the public, affect the market value of the securities in which the Funds will invest. Connected Persons will not be obliged to disclose such information to the Funds or to use such information for the benefit of the Funds.

The Articles provide that the Directors may rely on the valuation of a competent person when determining the probable realisation value of unlisted securities. The Directors may rely on a valuation provided by the Investment Manager, Sub-Investment Manager or a related entity for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

The Depositary, the Administrator, the Master Distributor, the Distributors, the Sub-Distributors, the Investment Manager and the Sub-Investment Manager may also, in the course of their business, have potential conflicts of interest with the Company in circumstances other than those referred to above. Each will, however, have regard in such event to its obligations under the relevant agreement applying to them and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly. In the event that a conflict of interest does arise the Directors will endeavour to ensure that such conflicts are resolved fairly.

Mr. Carrier, Mr. LaRocque and Ms. Trust are directors of certain affiliates of service providers to the Company. The Directors may also serve as directors of other collective investment schemes or may be directors or shareholders of other companies in which the Company invests.

The Company has policies designed to ensure that its service providers act in the Company's and Shareholders' best interests when executing decisions to deal on behalf of the Company in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Company and its Shareholders taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager and/or Sub-Investment Manager or any other consideration relevant to the execution of the order. Further information is available to Shareholders at no charge on request.

In selecting brokers to make purchases and sales for the Company, the Investment Manager and the Sub-Investment Manager will choose those brokers who provide best execution to the Company. In determining what constitutes best execution, the Investment Manager and the Sub-Investment Manager may consider a number of factors, including, for example, the over-all economic result of the Company (price of commission plus other costs), clearance, settlement, reputation, the efficiency of the transaction and error resolution, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, order of call, other services provided by the broker such as research and the provision of statistical and other information and the financial strength and stability of the broker. In managing the assets of the Company, the Investment Manager and the Sub-Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager and the Sub-Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the Company and/or other accounts for which the Investment Manager and the Sub-Investment Manager exercises investment discretion. The brokerage rates payable to such brokers shall not be in excess of customary institutional full service brokerage rates and are known as "soft commissions". The benefits provided under any such soft commission arrangements must assist in the provision of investment services to the Company and any such soft commission arrangements will be disclosed in the periodic reports of the Company. No cash rebates will be retained by the Investment Manager, the Sub-Investment Manager nor any of their affiliates. The Company has policies designed to ensure that the Investment Manager and the Sub-Investment Manager act in the Company's and Shareholders' best interests when executing dealing decisions. Further information is available to Shareholders at no charge on request.

Meetings

At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty-one days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders for annual general meetings and extraordinary general meetings for the passing of a special resolution, and at least 14 days' notice shall be given for all other extraordinary meetings. The notice shall specify the time and place of the meeting and, in the case of special

business, the general nature of that business. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "Voting Rights" in this Prospectus.

Reports and Accounts

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company and each Fund for the period ending 31st August in each year. These annual reports will be filed with the Central Bank within four months of the end of the relevant accounting period and will be circulated to Shareholders, within four months of the end of the relevant accounting period and in any event at least twenty one days before the annual general meeting at which they are to be submitted for approval. In addition, the Directors shall cause to be prepared a half-yearly report covering the period from 1st September to the last day of February each year which shall include unaudited half-yearly accounts for the Company and each Fund. Half-yearly reports for each Fund will be filed with the Central Bank and will be circulated to Shareholders in the relevant Fund within two months of the end of the relevant accounting period. The annual report and the half-yearly report may be sent to Shareholders by electronic mail or other electronic means of communication, including by placing a copy of the annual report and the half-yearly report on the Fund Website as detailed in the Relevant Supplement. Shareholders are also entitled to receive reports by hard copy mail on request.

In addition to the periodic reports referred to above, the Company may also cause to be prepared additional reports on a monthly or other basis on any matters relating to any or all of the Funds, including without limitation, the Net Asset Value, performance, risk statistics, allocations and/or portfolio holdings of any or all of the Funds and/or general market outlook or review reports. Any such reports, if prepared, are available to all Shareholders on request from the Administrator or Distributors. The Administrator or the Distributors will advise Shareholders of any fees payable in relation to the delivery of such additional reports.

Subject to the discretion of the Directors, and in compliance with any applicable laws, third parties may, on request, receive information and/or reports in relation to the Funds.

Directors' Report

The Directors confirm that the Company was incorporated in Ireland on 19 August 1993.

Winding Up

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Fund in satisfaction of creditors' claims relating to that Fund. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers to and from Funds as may be necessary to ensure that the effective burden of such creditors' claims are attributed in accordance with the foregoing provisions.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
 - (1) First, in the payment to the holders of the Shares of each class of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement of the winding-up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made.
 - (2) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse under sub-paragraph (1)(A) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
 - (3) Thirdly, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held.
 - (4) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.

- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Acts, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of member. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability. A member may request the liquidator, instead of transferring the assets in specie to him/her, to dispose of them and to pay him/her the net sale proceeds instead.

Material Contracts

The following contracts, which are summarised in the “Management and Administration” and “Fees and Expenses” sections in this Prospectus, have been entered into and are, or may be, material:

- (a) the Administration Agreement;
- (b) the Depositary Agreement;
- (c) the Investment Management Agreement;
- (d) the Sub-Investment Management Agreement;
- (e) the Master Distribution Agreement; and
- (f) the Shareholder Servicing Agreement.

Documents Available for Inspection

Copies of the following documents may be inspected at the Company’s registered office at Riverside Two, Sir John Rogerson’s Quay, Grand Canal Dock, Dublin 2, Ireland during normal business hours on any day on which the Administrator is open for business:

- (a) the material contracts referred to above;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the UCITS Directive, UCITS Regulations and Central Bank Regulations; and
- (d) the latest published annual and half-yearly reports and audited and unaudited accounts of the Company.

Copies of the Memorandum and Articles of Association, the latest Prospectus, Relevant Supplements and any key investor information documents (or similar or replacement and any additional documents required in a jurisdiction where the Funds are registered for public sale as may be required from time to time), and of any annual or half-yearly reports may be obtained from the Administrator free of charge.

Miscellaneous

- (a) No Shares are under option or are agreed conditionally or unconditionally to be put under option.
- (b) Except as disclosed in the “Fees and Expenses” section of this Prospectus, no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Shares.
- (c) The Company has no employees.
- (d) The Company has not, since its establishment, been engaged in, and is not currently engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by, or against, the Company.

Complaints

Shareholders may file any complaints about the Company or a Fund free of charge at the registered office of the Company. Information regarding the Company's complaint procedures is available to Shareholders free of charge upon request.

Information for U.K. Investors

Western Asset Management Company Limited, one of the UK based Distributors specified in the Directory, maintains facilities at its address in the United Kingdom set out in the Directory at which:-

- The documents detailed under "Documents Available for Inspection" above may be inspected and copies of the most recently published Prospectus, key investor information documents and annual and half-yearly reports relating to the Company may be obtained
- The most recently published Net Asset Value per Share of any class may be ascertained;
- Shareholders may request the repurchase of their Shares and obtain payment; and
- Any written complaints about the operation of the Company may be submitted.

Please note that any past performance detailed in the Prospectus will not necessarily be repeated in the future, and past performance information should not be interpreted as a projection illustrating the possible future value of an investment in the Funds.

Data Protection Notice

Prospective investors should note that by completing the application form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act, 1988, as amended by the Data Protection (Amendment) Act, 2003 (the "Data Protection Legislation"). These data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the application form, prospective investors acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal and regulatory obligations applicable to the investor and the Company;
- (e) for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the United States, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- (f) for other legitimate business interests of the Company.

In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders' personal data (including financial information) may be shared with the Irish tax authorities, the Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

In addition to the above, by signing the application form, prospective investors acknowledge and accept that the Company and/or the Administrator, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons to the U.S. Internal Revenue Service.

Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing.

The Company is a Data Controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation.

By signing the application form, prospective investors consent to the recording of telephone calls made to, and received from, them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for recordkeeping, security and/or training purposes.

APPENDIX I

Recognised Markets

The markets and exchanges described below are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets and exchanges and are listed in the Memorandum and Articles of Association of the Company.

With the exception of permitted investments in unlisted securities and in units of open-ended collective investment schemes, investment will be restricted to those stock exchanges and markets listed below.

1. Stock Exchanges

(i) any stock exchange which is:

- located in any EU Member State; or
- located in a member state of the European Economic Area (EEA) (EU Member States, Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-
 - Australia
 - Canada
 - Japan
 - Hong Kong
 - New Zealand
 - Switzerland
 - United States of America; or

(ii) any stock exchange included in the following list:-

Argentina	- Bolsa de Comercio de Buenos Aires;
Botswana	- the Botswana Stock Exchange;
Brazil	- Bolsa de Valores do Sao Paulo and Bolsa de Valores do Rio de Janeiro;
Chile	- Bolsa de Comercio de Santiago;
China	- the Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	- Bolsa de Bogota S.A., Bolsa de Medellin SA and the Cali Stock Exchange;
Egypt	- the Cairo stock exchange and the Alexandria stock exchange;
India	- the Bombay Stock Exchange, the Madras Stock Exchange Ltd., the Ahmedabad Stock Exchange Association Ltd., the Cochin Stock Exchange Ltd., the Guahatia Stock Exchange Ltd., the Magadh Stock Exchange Association Ltd., the Pune Stock Exchange Ltd., the Hyderabad Stock Exchange, the Ludhiana Stock Exchange Association Ltd., the Uttar Pradesh Stock Exchange Association Ltd., the Bangalore Stock Exchange Limited, the Delhi Stock Exchange Association Ltd. and the Calcutta Stock Exchange Association Ltd.
Indonesia	- the Jakarta Stock Exchange and the Surabaya Stock Exchange;
Israel	- the Tel Aviv Stock Exchange;
Jordan	- the Amman Financial Market;
Korea	- the Korea Stock Exchange in Seoul;
Malaysia	- the Kuala Lumpur Stock Exchange;
Mexico	- Bolsa Mexicana de Valores;
Morocco	- Boures de Valores de Casablanca;
Pakistan	- the Karachi Stock Exchange and the Lahore Stock Exchange;
Peru	- Bolsa de Valores de Lima;
Philippines	- the Philippine Stock Exchange;
Singapore	- the Stock Exchange of Singapore Limited;
South Africa	- the Johannesburg Stock Exchange;
Sri Lanka	- the Colombo Stock Exchange;
Taiwan	- the Taiwan Stock Exchange Corp. in Taipei;
Thailand	- the Stock Exchange of Thailand in Bangkok;
Turkey	- the Istanbul Stock Exchange;
Venezuela	- Bolsa de Valores de Caracas;
Zimbabwe	- the Zimbabwe Stock Exchange;

(iii) **Markets**

The market organised by the International Securities Market Association;

The market conducted by the "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion);

The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc.;

NASDAQ in the United States;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

AIM – the Alternative Investment Market in the United Kingdom which is regulated and operated by the London Stock Exchange;

The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments);

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada; and,

NASDAQ Europe. This is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges.

2. In relation to any exchange traded financial derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in clause 1(i), (ii) or (iii) above, which is in the EEA or which is listed below, is regulated, recognised, operates regularly, and is open to the public.

Bourse de Montreal

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

OMLX;

The London Securities and Derivatives Exchange;

New York Board of Trade;

New York Mercantile Exchange;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Osaka Securities Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange.

APPENDIX II

Definition of “U.S. Person”

1. Pursuant to Regulation S of the 1933 Act, “U.S. Person” means:
 - (i) any natural person resident in the United States;
 - (ii) any partnership or corporation organized or incorporated under the laws of the United States;
 - (iii) any estate of which any executor or administrator is a U.S. Person;
 - (iv) any trust of which any trustee is a U.S. Person;
 - (v) any agency or branch of a foreign entity located in the United States;
 - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
 - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
 - (viii) any partnership or corporation if:
 - (a) organized or incorporated under the laws of any foreign jurisdiction; and
 - (b) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
1. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a “U.S. Person”.
2. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a U.S. Person if:
 - (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
 - (ii) the estate is governed by foreign law.
3. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person.
4. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
5. Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a “U.S. Person” if:
 - (i) the agency or branch operates for valid business reasons; and

- (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- 6. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons".
- 7. Notwithstanding (1) above, any entity excluded or exempted from the definition of "U.S. Person" in (1) above in reliance on or with reference to interpretations or positions of the SEC or its staff as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

Definition of the term "resident" for purposes of Regulation S

For purposes of the definition of "U.S. Person" in (1) above, with respect to natural persons, a natural person shall be resident in the U.S. if such person (i) is in possession of an Alien Registration Card (a "green card") issued by the U.S. Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.

APPENDIX III

Definition of “U.S. Reportable Person”

1. Pursuant to U.S. tax provisions commonly known as the Foreign Account Tax Compliance Act (“FATCA”), “U.S. Reportable Person” means (i) a U.S. Taxpayer who is not an Excluded U.S. Taxpayer or (ii) a U.S. Controlled Foreign Entity.

2. For purposes of the definition of the term “U.S. Taxpayer” in (1) above, U.S. Taxpayer means:

- (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes);
- (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia);
- (iii) any estate, the income of which is subject to U.S. income taxation regardless of source; and
- (iv) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries.

An investor who is considered a “non-U.S. Person” under Regulation S may nevertheless be considered a “U.S. Taxpayer” depending on the investor’s particular circumstances.

3. For purposes of the definition of the term “Excluded U.S. Taxpayer” in (1) above, Excluded U.S. Taxpayer means a U.S. taxpayer who is also: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the U.S. Internal Revenue Code 1986, as amended, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, the District of Columbia, any U.S. territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the U.S. Internal Revenue Code 1986, as amended; (vi) any bank as defined in Section 581 of the U.S. Internal Revenue Code 1986, as amended; (vii) any real estate investment trust as defined in Section 856 of the U.S. Internal Revenue Code 1986, as amended; (viii) any regulated investment company as defined in Section 851 of the U.S. Internal Revenue Code 1986, as amended or any entity registered with the Securities Exchange Commission under the 1940 Act; (ix) any common trust fund as defined in Section 584(a) of the U.S. Internal Revenue Code 1986, as amended; (x) any trust that is exempt from tax under Section 664(c) of the U.S. Internal Revenue Code 1986, as amended, or is described in Section 4947(a)(1) of the U.S. Internal Revenue Code of 1986, as amended; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state thereof; (xii) a broker as defined in Section 6045(c) of the U.S. Internal Revenue Code 1986, as amended; or (xiii) any trust under a Section 403(b) plan or Section 457(g) plan.

4. For purposes of the definition of the term “U.S. Controlled Foreign Entity” in (1) above, U.S. Controlled Foreign Entity means any entity that is not a U.S. Taxpayer and that has one or more “Controlling U.S. Persons.”. For this purpose, a Controlling U.S. Person means an individual who is either a citizen or resident alien of the United States (as defined for U.S. federal income tax purposes) who exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

APPENDIX IV

Sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon

Country/Market	Sub-custodian
Argentina	Citibank N.A., Argentina *
	* On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.
Australia	National Australia Bank Limited
Australia	Citigroup Pty Limited
Austria	Citibank N.A. Milan
Bahrain	HSBC Bank Middle East Limited
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited
Belgium	Citibank International Limited
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A., Brazil
Brazil	Itau Unibanco S.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman Islands	The Bank of New York Mellon
Chile	Banco de Chile
Chile	Bancau Itau S.A. Chile
China	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna banka Zagreb d.d.
Cyprus	BNP Paribas Securities Services S.C.A., Athens
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Skandinaviska Enskilda Banken AB (Publ)
Egypt	HSBC Bank Egypt S.A.E.
Estonia	SEB Pank AS
Finland	Finland Skandinaviska Enskilda Banken AB (Publ)

Country/Market	Sub-custodian
France	BNP Paribas Securities Services S.C.A.
France	Citibank International Limited (cash deposited with Citibank NA)
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited
Greece	BNP Paribas Securities Services S.C.A., Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
Hong Kong	Deutsche Bank AG
Hungary	Citibank Europe plc. Hungarian Branch Office
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
India	HSBC Ltd
Indonesia	Deutsche Bank AG
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	Citibank N.A. Milan
Italy	Intesa Sanpaolo S.p.A.
Japan	Mizuho Bank, Ltd.
Japan	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jordan	Standard Chartered Bank
Kazakhstan	Joint-Stock Company Citibank Kazakhstan
Kenya	CfC Stanbic Bank Limited
Kuwait	HSBC Bank Middle East Limited, Kuwait
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited – Beirut Branch
Lithuania	AB SEB bankas
Luxembourg	Euroclear Bank
Malaysia	Deutsche Bank (Malaysia) Berhad
Malaysia	HSBC Bank Malaysia Berhad
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México S.A.
Morocco	Citibank Maghreb

Country/Market	Sub-custodian
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	National Australia Bank Limited
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB (Publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Peru	Citibank del Peru S.A.
Philippines	Deutsche Bank AG
Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank International Limited, Sucursal em Portugal
Qatar	HSBC Bank Middle East Limited, Doha
Romania	Citibank Europe plc, Romania Branch
Russia	Deutsche Bank Ltd
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited
Serbia	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd
Singapore	United Overseas Bank Ltd
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	The Standard Bank of South Africa Limited
South Korea	The Hongkong and Shanghai Banking Corporation Limited
South Korea	Deutsche Bank AG
Spain	Banco Bilbao Vizcaya Argentaria, S.A.
Spain	Santander Securities Services S.A.U.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken AB (Publ)
Switzerland	Credit Suisse AG
Switzerland	UBS Switzerland AG
Taiwan	HSBC Bank (Taiwan) Limited
Taiwan	Standard Chartered Bank (Taiwan) Ltd.

Country/Market	Sub-custodian
Thailand	The Hongkong and Shanghai Banking Corporation Limited
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Deutsche Bank A.S.
Uganda	Stanbic Bank Uganda Limited
Ukraine	Public Joint Stock Company "Citibank"
U.A.E.	HSBC Bank Middle East Limited, Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch
U.K.	The Bank of New York Mellon
U.S.A.	The Bank of New York Mellon
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank N.A., Sucursal Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Limited
Zimbabwe	Stanbic Bank Zimbabwe Limited