

Interim Report and Unaudited Financial Statements

Legg Mason Funds
ICVC

31 August 2018 – (Long Form Version)

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* These reports with the addition of the fund review section of each sub-fund comprise the Authorised Corporate Director's Report.

Report of the Authorised Corporate Director

Legg Mason Investment Funds Limited, the authorised corporate director (the “ACD”) of Legg Mason Funds ICVC (the “Company”) is pleased to present the Interim Report & Financial Statements for the Company for the half year ended 31 August 2018. The Company is a UK authorised open-ended investment company (“OEIC”). It is organised in the form of an umbrella company and, as at 31 August 2018, has eighteen constituent sub-funds (each a “Fund”) spanning major asset classes around the world.

Authorised Status

The Company is an investment company with variable capital (“ICVC”) incorporated in England and Wales and was authorised by the Financial Services Authority (now the Financial Conduct Authority) on 31 July 2003 under regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001, as amended, (the “OEIC Regulations”).

Each Fund is operated as a distinct fund with its own portfolio of investments and its own investment objective. The investment objective for each active Fund and the policy for achieving that objective are set out in the “Investment Objective and Policy” section of each Fund’s report. The investment activities of each active Fund are set out in the “Portfolio Summary” section of the report and accounts. Shareholders are not liable for the debts of the Company.

Fund Liabilities

Under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Funds Update

On 9 March 2018, shareholders in the Legg Mason IF QS Emerging Markets Equity Fund were notified of the intention to terminate the Fund. The investment manager of the Fund (QS Investors) had decided to stand down as investment manager following a review of its investment offering, the market opportunities available to the Fund and its competitive landscape. Legg Mason Investment Funds Limited (as ACD of the Fund) decided that the Fund had no long-term future and approved its termination subject to approval by the Financial Conduct Authority. The Fund was closed with effect from 23 April 2018.

Directors of the Authorised Corporate Director

Brian Eakes
John Justin Eede
Joseph LaRocque
Jaspal Sagger
Ursula Schliessler
Edward Venner

J. EEDE

For and on behalf of Legg Mason Investment Funds Limited
Authorised Corporate Director of Legg Mason Funds ICVC

31 October 2018

J. SAGGER

Economic and Market Overview

Six Months Ended 31 August 2018

Global Economic Review

Global economic growth continued during the six months ended 31 August 2018. In its July 2018 *World Economic Outlook Update*, the International Monetary Fund ("IMF")ⁱ said, "Global growth is projected to reach 3.9 percent in 2018 and 2019, in line with the forecast of the April 2018 *World Economic Outlook*, but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized." From a regional perspective, the IMF projects 2018 growth in the US will be 2.9%, compared to 2.3% in 2017. Growth in the eurozone is forecast to be 2.2%, versus 2.4% in 2017. Japan's economy is expected to expand 1.0% in 2018, compared to 1.7% in 2017. Elsewhere, the IMF projects that overall growth in emerging market countries will accelerate to 4.9% in 2018, versus 4.7% in 2017.

Market Review – Fixed Incomeⁱⁱ

Global fixed income markets generated mixed results during the reporting period. In the US, short-term Treasury yieldsⁱⁱⁱ moved sharply higher as the US Federal Reserve Board ("Fed")^{iv} raised interest rates^v twice over the period and continued to reduce its balance sheet. The Fed currently anticipates making two additional rate hikes in 2018. Longer-term Treasury yields also rose as inflation ticked up. In contrast, longer-term sovereign^{vi} yields in Europe generally declined over the reporting period. Meanwhile, US investment-grade^{vii} corporate bond prices declined, whereas lower-rated corporate bond prices were positive overall. Emerging market^{viii} sovereign debt performed poorly given moderating growth outside the US and concerns over a global trade war. Local currency sovereign debt generated even weaker results, as emerging market currencies largely depreciated versus the US dollar over the reporting period.

Market Review – Global Equities^{ix}

Global equities generated mixed results during the six months ended 31 August 2018. The U.S. stock market experienced pockets of weakness, but posted a solid return during the reporting period. The market fell sharply in March 2018. This occurred given concerns that the Fed may raise interest rates^x more aggressively than previously expected. In addition, there were fears of a global trade war and several high profile issues in the technology industry. The US market then rebounded and moved higher over the last five months of the reporting period. This turnaround was partially due to corporate profits that largely exceeded expectations. International equities also experienced periods of volatility and produced weak results during the reporting period. In contrast, both developed market and emerging market equities posted weak returns over the reporting period. They were dragged down by a number of factors, including signs of decelerating growth outside the US, concerns over a global trade war and several geopolitical issues.

ⁱ The International Monetary Fund ("IMF") is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

ⁱⁱ Fixed income – bonds.

ⁱⁱⁱ Treasury yield – interest rates on borrowing that is paid by the government.

^{iv} US Federal Reserve – the central bank of the United States and the most powerful financial institution in the world.

^v Interest rates – rates charged or paid for the use of money.

^{vi} Sovereign or Government bonds – are bonds issued by governments.

^{vii} Investment grade – a credit rating that means a government or corporate bond has a relatively low risk of default.

^{viii} Emerging markets – in investment terms, countries whose financial markets are less developed and where investor protection and market infrastructure is often weaker than in developed markets such as the UK.

^{ix} Equity – ownership interest in a corporation in the form of common stock or preferred stock.

^x Interest rates – rates charged or paid for the use of money.

Statement of Authorised Corporate Director's Responsibilities

The OEIC Regulations and COLL (together, the "Regulations") require the ACD to prepare financial statements for each annual and half-yearly accounting period which give a true and fair view of the net revenue or net expense and the net capital gains or losses on the property of the Company for the accounting period and the financial position of the Company as at the end of the period.

In preparing the financial statements the ACD shall:

- select suitable accounting policies and apply them consistently;
- comply with the Statement of Recommended Practice for financial statements of authorised Funds issued by the Investment Management Association in May 2014, COLL, the Prospectus and Instrument of Incorporation;
- follow generally accepted accounting principles and applicable accounting standards, subject to any material departures which shall be disclosed the explained in the financial statements;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- take reasonable steps for the prevention and detection of fraud or other irregularities.

Legg Mason Investment Funds Limited
London
31 October 2018

12 Month Performance

Fund Name	Performance								Since
	Inception	6 months to Sep. 2017 to Sep. 2016 to Sep. 2015 to Sep. 2014 to Sep. 2013 to 5 Years to							Performance
	Date	31/08/2018	Aug. 2018	Aug. 2017	Aug. 2016	Aug. 2015	Aug. 2014	31/08/2018	Inception
Percentage change (%)									
Legg Mason IF Western Asset Retirement Income Bond Fund A Inc.	12.02.1998	1.00	-0.40	1.86	7.49	-0.89	1.58	9.78	102.27
Legg Mason IF Western Asset Retirement Income Bond Fund X Inc.	07.01.2013	0.99	-0.41	1.88	7.70	-0.40	2.18	11.21	9.69
Legg Mason IF Western Asset Global Multi Strategy Bond Fund I Inc.	26.03.2009	-2.61	-3.47	5.85	8.40	-3.62	8.58	15.90	63.95
Legg Mason IF Western Asset Global Multi Strategy Bond Fund A Inc.	23.05.2008	-2.79	-3.81	5.35	7.75	-4.42	7.63	12.33	36.86
Legg Mason IF Western Asset Global Multi Strategy Bond Fund I Acc.	17.11.2011	-2.63	-3.43	6.33	9.73	-2.62	9.55	20.20	29.70
Legg Mason IF Western Asset Global Multi Strategy Bond Fund X Inc.	05.11.2012	-2.77	-3.71	5.54	8.15	-3.86	8.30	14.43	10.02
Legg Mason IF QS UK Equity Fund A Acc.	31.10.1995	6.05	1.91	5.34	8.23	6.64	7.90	33.69	243.61
Legg Mason IF QS UK Equity Fund X Acc.	29.01.2013	6.14	2.18	5.60	8.83	7.38	8.76	37.14	50.30
Legg Mason IF ClearBridge US Equity Fund A Acc.	02.01.2003	9.92	9.01	14.19	25.15	0.46	15.11	80.15	138.13
Legg Mason IF ClearBridge US Equity Fund X Acc.	18.12.2012	10.08	9.26	14.50	25.82	1.29	15.91	84.80	134.70
Legg Mason IF ClearBridge Global Equity Income Fund A Acc.	23.05.2008	-1.29	-0.49	19.57	18.71	-2.30	13.16	56.16	121.90
Legg Mason IF ClearBridge Global Equity Income Fund A Inc.	23.05.2008	-1.29	-0.42	19.53	17.94	-2.10	13.16	55.52	121.38
Legg Mason IF ClearBridge Global Equity Income Fund X Acc.	29.01.2013	-1.14	-0.17	19.86	19.36	-1.53	14.00	60.31	74.10
Legg Mason IF ClearBridge Global Equity Income Fund X Inc.	10.06.2013	-1.18	-0.27	19.89	19.41	-1.50	14.02	60.36	66.77
Legg Mason IF Royce US Smaller Companies Fund A Acc.	29.03.2004	17.17	22.14	11.59	25.58	-6.42	11.26	78.22	311.50
Legg Mason IF Royce US Smaller Companies Fund A Acc. (Hedged)	26.01.2012	9.27	21.43	7.96	13.57	-11.35	18.78	56.78	74.50
Legg Mason IF Royce US Smaller Companies Fund X Acc. (Hedged)	20.06.2013	9.47	21.60	7.76	6.73	-11.30	21.47	50.69	53.70
Legg Mason IF Royce US Smaller Companies Fund X Acc.	06.12.2012	17.30	22.43	11.88	26.22	-5.67	12.13	82.87	115.60
Legg Mason IF Japan Equity Fund A Acc.	08.10.1996	1.70	19.64	25.06	51.26	18.27	12.31	200.63	614.86
Legg Mason IF Japan Equity Fund A Acc. (Hedged)	28.07.2014	-0.38	22.01	31.24	11.51	26.81	–	–	137.30

12 Month Performance (continued)

Fund Name	Performance	Performance							Since	
	Inception	6 months to Sep. 2017 to Sep. 2016 to Sep. 2015 to Sep. 2014 to Sep. 2013 to 5 Years to	Performance							Inception
	Date	31/08/2018 Aug. 2018 Aug. 2017 Aug. 2016 Aug. 2015 Aug. 2014 31/08/2018 to 31/08/2018	Percentage change (%)							
Legg Mason IF Japan Equity Fund X Acc. (Hedged)	01.03.2013	-0.73	21.52	31.52	9.17	27.98	27.34	184.35	267.10	
Legg Mason IF Japan Equity Fund X Acc.	18.12.2012	1.84	19.95	25.36	52.06	19.18	13.17	208.41	366.00	
Legg Mason IF QS Emerging Markets Equity Fund A Acc.	16.02.2004	–	–	15.37	25.66	-16.29	12.33	–	–	
Legg Mason IF QS Emerging Markets Equity Fund X Acc.	06.02.2013	–	–	16.06	26.48	-15.65	13.20	–	–	
Legg Mason IF ClearBridge US Equity Income Fund X Inc.	17.10.2011	11.33	12.56	14.48	33.18	2.45	11.82	96.61	165.00	
Legg Mason IF ClearBridge US Equity Income Fund A Inc.	17.10.2011	11.05	12.11	14.06	32.21	1.50	10.91	90.31	153.11	
Legg Mason IF ClearBridge US Equity Income Fund X Acc.	17.10.2011	11.30	12.53	14.49	33.14	2.45	11.79	96.44	165.00	
Legg Mason IF ClearBridge US Equity Income Fund X Inc. (Hedged)	17.10.2011	3.73	11.83	10.48	13.03	-4.79	19.48	58.85	110.53	
Legg Mason IF Brandywine Global Income Optimiser Fund X Inc.	19.12.2011	-0.92	-1.32	4.49	9.41	-3.12	8.51	18.60	41.05	
Legg Mason IF Brandywine Global Income Optimiser Fund A Inc.	19.12.2011	-0.92	-1.49	4.25	8.93	-4.01	7.83	15.79	36.84	
Legg Mason IF Brandywine Global Income Optimiser Fund X Acc.	01.08.2014	-0.91	-1.36	3.56	9.36	-3.39	–	–	8.90	
Legg Mason IF Brandywine Global Income Optimiser Fund S Acc.	02.10.2017	-0.58	–	–	–	–	–	–	-0.95	
Legg Mason IF Brandywine Global Income Optimiser Fund S Inc.	08.08.2017	-0.59	-0.74	–	–	–	–	–	-0.64	
Legg Mason IF RARE Global Infrastructure Income Fund A Acc.	01.07.2016	9.19	-6.53	19.38	–	–	–	–	11.70	
Legg Mason IF RARE Global Infrastructure Income Fund A Inc.	01.07.2016	9.26	-6.49	19.56	–	–	–	–	11.91	
Legg Mason IF RARE Global Infrastructure Income Fund S Acc.	01.07.2016	9.67	-5.89	20.26	–	–	–	–	13.40	
Legg Mason IF RARE Global Infrastructure Income Fund S Inc.	01.07.2016	9.57	-5.88	20.26	–	–	–	–	13.42	
Legg Mason IF RARE Global Infrastructure Income Fund X Acc.	01.07.2016	9.34	-6.26	19.66	–	–	–	–	12.40	

12 Month Performance (continued)

Fund Name	Performance	Performance							Since	
	Inception	6 months to Sep. 2017 to Sep. 2016 to Sep. 2015 to Sep. 2014 to Sep. 2013 to 5 Years to	Performance							Inception
	Date	31/08/2018	Aug. 2018	Aug. 2017	Aug. 2016	Aug. 2015	Aug. 2014	31/08/2018 to 31/08/2018	Inception	
Percentage change (%)										
Legg Mason IF RARE Global Infrastructure Income Fund X Inc.	01.07.2016	9.38	-6.29	19.86	–	–	–	–	12.44	
Legg Mason IF RARE Global Infrastructure Income Fund X Inc. (Hedged)	26.08.2016	7.84	-2.24	10.69	–	–	–	–	7.36	
Legg Mason IF RARE Global Infrastructure Income Fund S Acc. (Hedged)	01.08.2016	8.07	-1.84	12.18	–	–	–	–	6.60	
Legg Mason IF RARE Global Infrastructure Income Fund S Inc. (Hedged)	02.08.2016	8.05	-1.90	12.24	–	–	–	–	7.05	
Legg Mason IF RARE Global Infrastructure Income Fund X Acc. (Hedged)	07.09.2016	7.80	-2.29	–	–	–	–	–	6.70	
Legg Mason IF Martin Currie North American Fund A Acc.	01.09.1983	14.53	21.04	14.74	21.63	8.00	15.16	110.11	1789.33	
Legg Mason IF Martin Currie North American Fund X Acc.	17.06.2002	14.66	21.31	15.04	22.29	8.83	16.04	115.54	302.98	
Legg Mason IF Martin Currie North American Fund X Acc. (Hedged)	02.09.2009	6.85	20.43	11.41	4.58	1.04	23.87	75.61	172.90	
Legg Mason IF Martin Currie Japan Alpha Fund A Acc.	16.01.2006	1.02	9.09	18.54	21.16	6.34	-2.89	61.79	68.10	
Legg Mason IF Martin Currie Japan Alpha Fund X Acc.	16.01.2006	1.18	9.44	18.76	21.80	7.13	-2.11	66.02	80.80	
Legg Mason IF Martin Currie Japan Alpha Fund X Acc. (Hedged)	14.12.2009	-1.57	10.48	24.08	-13.10	14.78	10.32	50.86	119.20	
Legg Mason IF Martin Currie Global Equity Income Fund A Acc.	01.11.2010	7.28	6.12	13.37	21.09	-3.67	4.87	47.17	94.74	
Legg Mason IF Martin Currie Global Equity Income Fund X Acc.	01.11.2010	7.42	6.35	13.66	21.80	-2.96	5.66	50.97	104.03	
Legg Mason IF Martin Currie Global Equity Income Fund A Inc.	01.11.2010	7.24	6.06	13.43	21.06	-3.60	4.81	47.15	94.76	
Legg Mason IF Martin Currie Global Equity Income Fund X Inc.	01.11.2010	7.45	6.37	13.69	21.78	-2.97	5.70	51.03	104.20	
Legg Mason IF Martin Currie Global Equity Income Fund I Inc.	16.02.2017	7.59	6.72	–	–	–	–	–	12.64	
Legg Mason IF Martin Currie European Equity Income Fund A Acc.	06.05.1985	-0.52	-2.10	21.17	10.38	-0.85	6.73	38.57	1944.31	
Legg Mason IF Martin Currie European Equity Income Fund X Acc.	17.06.2002	-0.38	-1.86	21.44	11.03	-0.11	7.51	42.13	220.25	

12 Month Performance (continued)

Fund Name	Performance Inception Date	Performance							Since Performance Inception
		6 months to	Sep. 2017 to	Sep. 2016 to	Sep. 2015 to	Sep. 2014 to	Sep. 2013 to	5 Years to	to 31/08/2018
		31/08/2018	Aug. 2018	Aug. 2017	Aug. 2016	Aug. 2015	Aug. 2014	31/08/2018	
Percentage change (%)									
Legg Mason IF Martin Currie European Equity Income Fund A Inc.	01.03.2012	-0.52	-2.09	21.14	10.38	-0.79	6.72	38.62	77.66
Legg Mason IF Martin Currie European Equity Income Fund X Inc.	01.03.2012	-0.40	-1.85	21.46	11.02	-0.05	7.50	42.21	84.59
Legg Mason IF Martin Currie Emerging Markets Fund A Acc.	09.09.1991	-4.15	0.06	32.08	37.69	-20.28	6.17	54.02	557.02
Legg Mason IF Martin Currie Emerging Markets Fund X Acc.	17.06.2002	-4.02	0.35	32.37	38.44	-19.65	6.85	57.87	333.46
Legg Mason IF Martin Currie China Fund A Acc.	10.03.2010	-7.54	-1.54	34.94	33.60	-4.54	7.62	82.35	79.10
Legg Mason IF Martin Currie China Fund X Acc.	10.03.2010	-7.45	-1.33	35.33	34.27	-3.82	8.31	86.77	85.20
Legg Mason IF Martin Currie Asia Pacific Fund A Acc.	14.02.1994	1.82	1.58	25.59	34.13	-10.88	7.10	63.33	279.49
Legg Mason IF Martin Currie Asia Pacific Fund X Acc.	17.06.2002	1.89	1.79	25.89	34.81	-10.14	7.91	67.51	475.64

Source for performance figures: Legg Mason. Performance is calculated on a NAV to NAV basis, with net income reinvested and after deduction of annual fund expenses. Sales charges, taxes and other locally applied costs to be paid by an investor have not been deducted.

Past performance is no guide to future returns and may not be repeated.

Legg Mason Funds ICVC's Fund Range

Fund	Investment Manager
Legg Mason IF Brandywine Global Income Optimiser Fund	Brandywine Global Investment Management, LLC
Legg Mason IF ClearBridge Global Equity Income Fund	ClearBridge Investments, LLC
Legg Mason IF ClearBridge US Equity Fund	ClearBridge Investments, LLC
Legg Mason IF ClearBridge US Equity Income Fund	ClearBridge Investments, LLC
Legg Mason IF Japan Equity Fund	Shiozumi Asset Management Company Limited*
Legg Mason IF Martin Currie Asia Pacific Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie China Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie Emerging Markets Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie European Equity Income Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie Global Equity Income Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie Japan Alpha Fund	Martin Currie Investment Management Limited
Legg Mason IF Martin Currie North American Fund	Martin Currie Investment Management Limited
Legg Mason IF QS Emerging Markets Equity Fund	QS Investors, LLC
Legg Mason IF QS UK Equity Fund	QS Investors, LLC
Legg Mason IF RARE Global Infrastructure Income Fund	RARE Infrastructure Limited
Legg Mason IF Royce US Smaller Companies Fund	Royce & Associates, LP
Legg Mason IF Western Asset Global Multi Strategy Bond Fund	Western Asset Management Company Limited
Legg Mason IF Western Asset Retirement Income Bond Fund	Western Asset Management Company Limited

* Not affiliated to Legg Mason, Inc.

Legg Mason IF Brandywine Global Income Optimiser Fund

General Information

Investment Manager	Brandywine Global Investment Management
Fund Size	£138.6m
Sector	N/A
Fund Launch	19 December 2011

Investment Objective and Policy

The objective of this Fund is to generate income in all market conditions over a rolling 3-5 year period. While the Fund's priority is to generate income, it will also seek to preserve capital. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in (i) government and corporate debt securities, convertible securities, mortgage backed securities and asset backed securities that are listed or traded on regulated markets; (ii) units or shares of collective investment schemes which may include collective investment schemes managed or operated by the ACD or an associate of the ACD; and (iii) financial derivative instruments, such minimum percentage consisting solely of the

assets set out at (i) above, or a combination of (i) and (ii), of (i) and (iii), or of (i), (ii) and (iii). The Fund will invest in a combination of investment grade and below investment grade bonds (as measured by Standard & Poor's, Moody's or an equivalent external rating agency), convertible bonds, spot and forward foreign exchange contracts, credit default swaps and other financial derivative instruments which may be used for investment purposes as well as efficient portfolio management purposes. A minimum of 80% of the Fund's net asset value will be invested in securities or derivatives that are either denominated in Sterling or, if denominated in other currencies, are hedged to Sterling. No more than 10% of the Fund's net asset value may be invested in units or shares of collective investment schemes. The Fund may also invest in other transferable securities, money market instruments and deposits. When deemed appropriate by the Fund's investment manager, the Fund may hold synthetic short positions, on individual securities, indices, currencies and/or interest rates. Although the Fund aims to generate income in all market conditions whilst seeking to preserve capital, this objective is not guaranteed; the objective may not be achieved; the Fund may experience negative returns and investors may not get back the amount originally invested.

Legg Mason IF Brandywine Global Income Optimiser Fund

The Legg Mason IF Brandywine Global Income Optimiser Fund decreased by 0.91% in sterling terms over the period under review, while the IA Sterling Strategic Bond sector recorded a decrease in sterling terms of 0.11%.

Q. What were the leading contributors to performance during the reporting period?

A. The largest contributor to the Fund's performance was its tactical exposure to US high yield credit through the use of derivatives (CDX). This was beneficial for results as their spreads narrowed during the period they were held by the Fund. This occurred given overall strong corporate profits and solid investor demand. An allocation to Colombian sovereign debt was beneficial as it offered attractive yields and benefited from rising oil prices. We closed the position in the spring of 2018. Tactical exposure to US Treasuries was also additive for returns. We closed the position to capture profits.

Q. What were the leading detractors from performance during the reporting period?

A. The Fund's exposures to Indonesian, Mexican and South African government bonds were the largest detractors from performance. Indonesia was negatively impacted by rising external debt and monetary tightening by its central bank. Investor sentiment for Mexico was challenged given uncertainties surrounding its July 2018 elections and concerns over NAFTA negotiations. Political uncertainties also dragged down South African bonds, as did the lack of structural reforms, moderating growth in China (its largest trading partner) and falling gold prices. All three positions were eliminated from the portfolio during the reporting period. Elsewhere, the Fund had a short position in German bonds at the beginning of the reporting period. This negatively impacted performance as the bond subsequently rallied and we closed the position.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. We meaningfully adjusted the portfolio during the reporting period and moved to reduce its overall risk exposure. This change was made given the deteriorating macro backdrop. In particular, accelerating growth in the US and rising inflation prompted continued monetary policy tightening by the US Federal Reserve Board ("Fed") and rising interest rates across the US yield curve. In addition, growth outside the US moderated and global trade tensions increased. Against this backdrop, we closed the Fund's emerging market sovereign and local emerging market positions in countries such as Columbia, Indonesia, Malaysia and South Africa. We also adjusted the Fund's duration exposure, covering our short German bond position, eliminating our long Italian bond position and paring our US Treasury exposure. In contrast, we added duration in safe havens such as the UK and France.

At the end of the reporting period, the Fund was defensively positioned. While we are cautiously optimistic on the global economy, near term challenges, such as slowing growth in China, possible missteps by the Fed and global trade concerns lead us to believe capital preservation should be paramount for the time being. Should the macro backdrop improve, we will look to opportunistically add risk back into the portfolio.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
United States Treasury Floating Rate Note 2.12399% US Government 30/04/2020	66,517	United States Treasury Floating Rate Note 2.12399% US Government 30/04/2020	33,518
United Kingdom Treasury Bill 0% 28/08/2018	32,585	United Kingdom Treasury Bill 0% 28/08/2018	32,600
United Kingdom Treasury Bill 0% 06/08/2018	23,934	United Kingdom Treasury Bill 0% 06/08/2018	23,949
French Republic Government Bond 2% Euro-Zone 25/05/2048	13,440	United States Treasury Bill 0% 26/04/2018	9,934
United States Treasury Bill 0% 26/04/2018	9,825	United Kingdom Gilt 1.5% 22/07/2047	4,513
United Kingdom Gilt 1.5% 22/07/2047	9,366	United States Treasury Note 2.875% US Government 15/11/2046	4,365
United States Treasury Note 2.75% US Government 15/02/2028	8,098	United States Treasury Note 3% US Government 15/02/2048	3,795
Specialty Underwriting & Residential Finance Trust Series 2006-BC1 2.45475% ABS Home 25/12/2036	4,634	United States Treasury Note 2.75% US Government 15/02/2028	2,447
United States Treasury Note 3% US Government 15/02/2048	3,873	Indonesia Government Bond 7% Domestic 15/05/2027	2,337
JP Morgan Mortgage Acquisition Trust 2007-CH3 2.38475% ABS 25/03/2037	3,130	Buono Del Tesoro Poliennale 2.7% 01/03/2047	1,977
WaMu Mortgage Pass-Through Series 2004-AR5 Trust 4.191835% Private CMO 25/06/2034	2,693	Republic of South Africa Government Bond 8.75% Domestic 28/02/2048	1,890
CWABS Revolving Home Equity Loan Trust Series 2004-I 2.35269% ABS 15/02/2034	2,464	Malaysia Government Bond 3.899% Domestic 16/11/2027	1,694
Thornburg Mortgage Securities Trust 2004-2 2.68475% Private CMO 25/06/2044	2,074	United States Treasury Bill 0.01% US Government 29/03/2018	1,423
Daimler Finance North America 2.75963% Private Placement 22/02/2021	2,040	Fannie Mae Connecticut Avenue Securities 4.0207% Private CMO 25/05/2030	1,192
Bank of America 3.20738% Domestic 01/04/2019	1,991	AT&T 3.9% Global 14/08/2027	999
Lehman XS Trust Series 2005-5N 2.36475% Private CMO 25/11/2035	1,869	Colombian TES 7.5% 26/08/2026	975
Goldman Sachs 3.06025% Global 23/02/2023	1,793	Australian Government Bond 2.75% 21/10/2019	971
Macquarie Bank 2.68725% Private Placement 04/04/2019	1,715	Arab Republic of Egypt Bond 6.125% Global 31/01/2022	957
Citibank 2.688% US Domestic 12/02/2021	1,715	New Zealand Government Bond 5% Domestic 15/03/2019	952
Citigroup 3.5% Global 15/05/2023	1,708	Bonos De Tesoreria 6.15% Domestic 12/08/2032	938
Other purchases	35,345	Other sales	10,181
Total purchases for the period	230,809	Total sales for the period	141,607

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in a diversified portfolio of bonds from various countries and sectors have historically been subject to relatively small fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Bonds: There is a risk that issuers of bonds held by the Fund may not be able to repay the investment or pay the interest due on it, leading to losses for the Fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

Liquidity: In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to minimise a loss on such investments.

Low rated bonds: The Fund may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Asset-backed securities: The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the Fund. These types of investments may also be difficult for the Fund to sell quickly.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Hedging: The Fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the Fund and base currency of the Fund itself (hedging). However, hedging transactions can also expose the Fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the Fund.

Interest rates: Changes in interest rates may negatively affect the value of the Fund. Typically as interest rates rise, bond values fall.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Fund counterparties: The Fund may suffer losses if the parties that it trades with cannot meet their financial obligations.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Income			Share Class S Accumulation ²	
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)
Change in net assets per Share					
Opening net asset value per share	104.06	107.28	98.13	99.48	100.00
Return before operating charges**^	(0.49)	1.84	15.36	(0.46)	(0.52)
Operating charges	(0.47)	(0.97)	(1.10)	(0.09)	0.00
Return after operating charges*	(0.96)	0.87	14.26	(0.55)	(0.52)
Distributions	(1.61)	(4.09)	(5.11)	(1.56)	(1.40)
Retained distributions on accumulation shares	–	–	–	1.56	1.40
Closing net asset value per share	101.49	104.06	107.28	98.93	99.48
^ after direct transaction costs of:	0.00	0.01	0.01	0.00	0.01
Performance					
Return after operating charges*	(0.92)%	0.81%	14.53%	(0.55)%	(0.52)%
Other information					
Closing net asset value (£'000's)	223	258	302	60,616	6,091
Closing number of shares	219,686	247,652	281,039	61,274,313	6,122,985
Operating charges**	0.91%	0.91%	1.05%	0.19%	0.19%
Direct transaction costs***	0.00%	0.01%	0.01%	0.00%	0.01%
Prices					
Highest share price	105.90	107.80	108.90	101.30	101.00
Lowest share price	102.00	104.60	98.81	98.65	99.11
	Share Class S Income ¹		Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share					
Opening net asset value per share	97.89	100.00	109.74	108.64	95.30
Return before operating charges**^	(0.46)	(0.20)	(0.52)	1.92	15.14
Operating charges	(0.09)	0.00	(0.41)	(0.82)	(0.87)
Return after operating charges*	(0.55)	(0.20)	(0.93)	1.10	14.27
Distributions	(1.53)	(1.91)	(1.71)	(4.24)	(5.11)
Retained distributions on accumulation shares	–	–	1.71	4.24	4.18
Closing net asset value per share	95.82	97.89	108.81	109.74	108.64
^ after direct transaction costs of:	0.00	0.01	0.00	0.01	0.01
Performance					
Return after operating charges*	(0.56)%	(0.20)%	(0.85)%	1.01%	14.97%
Other information					
Closing net asset value (£'000's)	18,750	13,194	692	687	689
Closing number of shares	19,568,282	13,479,210	635,534	626,078	634,168
Operating charges**	0.19%	0.19%	0.74%	0.74%	0.85%
Direct transaction costs***	0.00%	0.01%	0.00%	0.01%	0.01%
Prices					
Highest share price	99.72	100.40	111.70	111.50	108.90
Lowest share price	96.29	98.38	108.70	107.30	95.93

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Performance Record (unaudited) (continued)

As at 31 August 2018

	Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share			
Opening net asset value per share	107.12	110.23	100.66
Return before operating charges**^	(0.49)	1.94	15.77
Operating charges	(0.39)	(0.81)	(0.91)
Return after operating charges*	(0.88)	1.13	14.86
Distributions	(1.67)	(4.24)	(5.29)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	104.57	107.12	110.23
^ after direct transaction costs of:	0.00	0.01	0.01
Performance			
Return after operating charges*	(0.82)%	1.03%	14.76%
Other information			
Closing net asset value (£'000's)	58,355	27,727	29,954
Closing number of shares	55,803,419	25,883,329	27,174,972
Operating charges**	0.74%	0.74%	0.84%
Direct transaction costs***	0.00%	0.01%	0.01%
Prices			
Highest share price	109.10	110.90	111.80
Lowest share price	105.10	107.70	101.40

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

¹ Launched on 9 August 2017.

² Launched on 2 October 2017.

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(1,607)		(143)
Revenue	1,247		718	
Expenses	(215)		(115)	
Net revenue before taxation	1,032		603	
Taxation	(12)		(1)	
Net revenue after taxation		1,020		602
Total return before distributions		(587)		459
Distributions		(1,136)		(687)
Change in net assets attributable to shareholders from investment activities		(1,723)		(228)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		47,957		31,147
Amounts receivable on issue of shares	99,148		4,308	
Amounts payable on cancellation of shares	(7,486)		(3,540)	
		91,662		768
Change in net assets attributable to shareholders from investment activities		(1,723)		(228)
Retained distributions on accumulation shares		740		16
Closing net assets attributable to shareholders		138,636		31,703

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	134,407	46,964
Current assets:		
Debtors	839	3,615
Cash and bank balances	6,305	1,022
Total assets	<u>141,551</u>	<u>51,601</u>
Liabilities:		
Investment liabilities	(2,080)	(195)
Creditors		
Bank overdrafts	(182)	(318)
Distribution payable	(454)	(329)
Other creditors	(199)	(2,802)
Total liabilities	<u>(2,915)</u>	<u>(3,644)</u>
Net assets attributable to shareholders	<u>138,636</u>	<u>47,957</u>

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.0177	–	1.0177	1.1675
Group 2	0.4810	0.5367	1.0177	1.1675

Class S Accumulation Shares²

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.9792	–	0.9792	n/a
Group 2	0.0040	0.9752	0.9792	n/a

Class S Income Shares¹

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.9629	–	0.9629	n/a
Group 2	0.3580	0.6049	0.9629	n/a

Class X Accumulation Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.0786	–	1.0786	1.1951
Group 2	0.4337	0.6449	1.0786	1.1951

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.0531	–	1.0531	1.2171
Group 2	0.4427	0.6104	1.0531	1.2171

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Second Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.5904	–	0.5904	1.1675
Group 2	0.1019	0.4885	0.5904	1.1675

Class S Accumulation Shares²

	Gross Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.5770	–	0.5770	n/a
Group 2	0.1106	0.4664	0.5770	n/a

Class S Income Shares¹

	Gross Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.5621	–	0.5621	0.2950
Group 2	0.3169	0.2452	0.5621	0.2950

Class X Accumulation Shares

	Gross Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.6347	–	0.6347	1.2056
Group 2	0.5415	0.0932	0.6347	1.2056

Class X Income Shares

	Gross Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.6141	–	0.6141	1.2040
Group 2	0.4937	0.1204	0.6141	1.2040

¹ Launched on 9 August 2017.

² Launched on 2 October 2017.

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF ClearBridge Global Equity Income Fund

General Information

Investment Manager	ClearBridge Investment, LLC
Fund Size	£32.4m
Sector	Global Growth
Fund Launch	23 May 2008

Investment Objective and Policy

The objective of the Fund is to achieve income and capital growth through investment primarily in a range of equity and equity-related securities. The Fund seeks to achieve its objective by investing globally in quality companies which the investment manager believes are undervalued. There is a focus on dividend yield and potential for capital growth. The Fund may also invest in other investments as permitted by the FCA Rules as applicable from time to time, which may include: units or shares in other collective investment schemes (up to a maximum of 10% of the net asset value of the Fund) and warrants (up to

a maximum of 5% of the net asset value of the Fund). The Fund may also use derivatives for efficient portfolio management as explained in the Prospectus.

Legg Mason IF ClearBridge Global Equity Income Fund

The Legg Mason IF ClearBridge Global Equity Income Fund declined 1.14% in sterling terms during the period under review while its index, the MSCI World (Net) Index, recorded a gain in sterling terms of 10.14%.

Q. What were the leading contributors to performance during the reporting period?

A. An underweight allocation to the Consumer Staples sector was the primary contributor to performance. Among individual stocks, Kohl's, Roche, Exelon, Target and Marr were the top contributors.

Q. What were the leading detractors from performance during the reporting period?

A. Stock selection in the Consumer Discretionary, Financials and Industrials sectors as well as an underweight allocation to the Information Technology sector detracted the most from performance. Among individual stocks, the leading detractors included Hosa International, Cyrela Brazil Realty, BNP Paribas, Prosiebensat.1 Media and Renewi.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the period, the Fund's largest country allocations were to the UK, the US and France. Its largest sector exposures were to Financials, Consumer Discretionary and Industrials.

The Fund added a number of new positions, with the largest being Dick's Sporting Goods, IBM, Pfizer Schlumberger and Thai Union Group, and closed several positions, the largest being WPP, Modern Times Group, Kemira, Cyrela Brazil Realty and Ascendas India Trust.

Going forward, the manager will be looking for potential opportunities in out-of-favour companies in pro-cyclical sectors such as Consumer Discretionary, companies targeting rising domestic demand in Emerging Markets ("EM") regions as well as EM companies adopting a strong dividend culture indicated by strong dividend growth.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Schlumberger	560	Emerson Electric	560
International Business Machines	537	Rio Tinto	496
Pfizer	526	Kemira	478
Dick's Sporting Goods	480	Wpp	466
Thai Union Foreign Shares	382	Modern Times	420
Imperial Tobacco	352	Ascendas India	390
General Electric	350	Signify	387
Newell Brands	343	Man Group	370
Dixons Carphone	340	Prada	367
Ping An Insurance	329	L Brands	295
China Machinery Engineering	228	Anta Sports Products	278
Roche	226	Skellerup	271
Zhejiang Expressway	219	Cyrela Brazil Realty	262
Gluskin Sheff	175	Granges	223
AP Moller – Maersk	162	Mcmillan Shakespeare	215
Bayerische Motoren Werke	148	Vesuvius	164
Nutrien	139	Laird	143
Inwido	127	Hosa International	35
Kohl's	107	Green Seal	33
Incitec Pivot	59	Anima	15
Other purchases	6	Other sales	–
Total purchases for the period	5,795	Total sales for the period	5,868

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in shares of companies from various countries and sectors have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Liquidity: In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to minimise a loss on such investments.

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets or more developed countries.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class A Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	224.59	208.06	155.53	158.47	151.66	117.59
Return before operating charges**^	(1.40)	19.32	54.94	(0.98)	13.93	40.96
Operating charges	(1.40)	(2.79)	(2.41)	(0.98)	(1.99)	(1.79)
Return after operating charges*	(2.80)	16.53	52.53	(1.96)	11.94	39.17
Distributions	(5.93)	(7.10)	(6.82)	(4.16)	(5.13)	(5.10)
Retained distributions on accumulation shares	5.93	7.10	6.82	–	–	–
Closing net asset value per share	221.79	224.59	208.06	152.35	158.47	151.66
^ after direct transaction costs of:	0.08	0.21	0.30	0.05	0.15	0.22
Performance						
Return after operating charges*	(1.25)%	7.94%	33.77%	(1.24)%	7.87%	33.31%
Other information						
Closing net asset value (£'000's)	8,070	8,579	8,280	3,393	3,983	4,064
Closing number of shares	3,638,503	3,819,837	3,979,445	2,226,983	2,513,715	2,679,881
Operating charges**	1.26%	1.26%	1.32%	1.26%	1.26%	1.32%
Direct transaction costs***	0.03%	0.10%	0.16%	0.03%	0.10%	0.16%
Prices						
Highest share price	226.40	235.00	210.80	159.70	166.20	154.10
Lowest share price	209.80	205.80	156.60	148.00	150.00	118.60
	Share Class X Accumulation			Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	175.93	162.57	121.08	145.05	138.47	107.21
Return before operating charges**^	(1.11)	15.11	42.97	(0.89)	12.73	37.16
Operating charges	(0.88)	(1.75)	(1.48)	(0.72)	(1.46)	(1.26)
Return after operating charges*	(1.99)	13.36	41.49	(1.61)	11.27	35.90
Distributions	(4.65)	(5.56)	(5.31)	(3.81)	(4.69)	(4.64)
Retained distributions on accumulation shares	4.65	5.56	5.31	–	–	–
Closing net asset value per share	173.94	175.93	162.57	139.63	145.05	138.47
^ after direct transaction costs of:	0.06	0.17	0.24	0.05	0.14	0.20
Performance						
Return after operating charges*	(1.13)%	8.22%	34.27%	(1.11)%	8.14%	33.49%
Other information						
Closing net asset value (£'000's)	12,380	12,648	9,563	8,556	9,132	8,081
Closing number of shares	7,117,370	7,189,095	5,882,107	6,127,569	6,295,718	5,835,803
Operating charges**	1.01%	1.01%	1.03%	1.01%	1.01%	1.03%
Direct transaction costs***	0.03%	0.10%	0.16%	0.03%	0.10%	0.16%
Prices						
Highest share price	177.40	184.00	164.70	146.30	152.00	140.70
Lowest share price	164.40	160.80	122.00	135.50	137.00	108.00

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(1,160)		1,461
Revenue	1,006		872	
Expenses	(181)		(174)	
Net revenue before taxation	825		698	
Taxation	(67)		3	
Net revenue after taxation		758		701
Total return before distributions		(402)		2,162
Distributions		(898)		(836)
Change in net assets attributable to shareholders from investment activities		(1,300)		1,326

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		34,342		30,027
Amounts receivable on issue of shares	865		2,674	
Amounts payable on cancellation of shares	(2,062)		(1,318)	
		(1,197)		1,356
Change in net assets attributable to shareholders from investment activities		(1,300)		1,326
Retained distributions on accumulation shares		554		500
Closing net assets attributable to shareholders		32,399		33,209

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	31,836	33,143
Current assets:		
Debtors	221	185
Cash and bank balances	590	1,342
Total assets	<u>32,647</u>	<u>34,670</u>
Liabilities:		
Creditors		
Distribution payable	(96)	(28)
Other creditors	(152)	(300)
Total liabilities	<u>(248)</u>	<u>(328)</u>
Net assets attributable to shareholders	<u>32,399</u>	<u>34,342</u>

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Distribution Table

As at 31 August 2018

First Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	4.1651	–	4.1651	4.1324
Group 2	2.6259	1.5392	4.1651	4.1324

Class A Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	2.9390	–	2.9390	3.0125
Group 2	2.1991	0.7399	2.9390	3.0125

Class X Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	2.6914	–	2.6914	2.7516
Group 2	1.7383	0.9531	2.6914	2.7516

Class X Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	3.2638	–	3.2638	3.2303
Group 2	2.4261	0.8377	3.2638	3.2303

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Distribution Table (continued)

As at 31 August 2018

Second Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.7669	–	1.7669	1.5995
Group 2	1.1890	0.5779	1.7669	1.5995

Class A Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.2233	–	1.2233	1.1439
Group 2	0.5710	0.6523	1.2233	1.1439

Class X Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.1209	–	1.1209	1.0454
Group 2	0.4853	0.6356	1.1209	1.0454

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.3853	–	1.3853	1.2510
Group 2	0.8768	0.5085	1.3853	1.2510

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF ClearBridge US Equity Fund

General Information

Investment Manager	ClearBridge Investment, LLC
Fund Size	£36.0m
Sector	North America
Fund Launch	01 January 2003

Investment Objective and Policy

The objective of this Fund is to achieve capital growth principally through investment in securities of US issuers. The Fund seeks to achieve its objective by investing at least 80% in securities of US issuers which the investment manager believes are undervalued. The Fund may also invest up to 20% of its assets in securities of non-US issuers. At least 50% of the net asset value of the Fund will be invested in equity securities. The Fund may also invest in other investments to the extent permitted by the FCA Rules as applicable from time to time, which may include: units or shares in other collective investment schemes (up

to a maximum of 10% of the net asset value of the Fund) and warrants (up to a maximum of 5% of the net asset value of the Fund). The Fund may also use derivatives for efficient portfolio management as explained in the Prospectus.

The Fund will usually be invested in a concentrated portfolio (typically 40-60 holdings).

Legg Mason IF ClearBridge US Equity Fund

The Legg Mason IF ClearBridge US Equity Fund rose by 10.08% in sterling terms over the period under review, while its index, the S&P 500 Index, recorded a gain in sterling terms of 14.45%.

Q. What were the leading contributors to performance during the reporting period?

A. Stock selection in the Energy and Utilities sectors contributed to relative returns. The leading contributors to performance for the reporting period were Allergan, Microsoft, Devon Energy, Alphabet and XL Group.

Q. What were the leading detractors from performance during the reporting period?

A. Stock selection in the Consumer Discretionary and Information Technology ("IT") sectors detracted from performance, as did an overweight to the Financials sector. The leading detractors from performance during the reporting period were Adient, Brighthouse Financial, Realogy, Synchrony Financial and Stericycle.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. The most significant changes to the portfolio were the purchase of Merck, in the Health Care sector, and the sale of XL Group, in the Financials sector. At the end of the period the portfolio was positioned with its largest active overweights in the Health Care and Financials sectors; its largest underweights were to the Consumer Discretionary and IT sectors.

The U.S. has enjoyed sizable profit margin growth due to lower interest rates, lower wages and lower taxes. Now higher rates, anti-trade policies and rising labor costs could pressure U.S. profit margins. Meanwhile, there is record U.S. net debt outside a recession, and sovereign debt has exploded. Company balance sheets are not prepared for higher rates, as asset prices would fall while debt service costs rise. We are therefore carefully watching signs of spreading liquidity risk: emerging market contagion, high yield spreads widening, a normalizing term premium, U.S. profit margins missing because of higher costs.

We find the opportunity set for U.S. assets to be modestly positive, and with select opportunities. The Financials sector, for example, should be the biggest beneficiary of higher rates and a higher term premium. We also believe oil will be in undersupply unless capital expenditures increase materially, and investors have never been this negative on energy companies with oil at current prices. Selective drug companies, meanwhile, look attractive from a valuation standpoint and should bolster defensive positioning should it be necessary.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Merck	590	XL	1273
Owens Corning	342	Stericycle	617
KION	314	Cisco Systems	555
General Motors	312	Signet Jewelers	453
Biogen	285	Hanesbrands	419
Alexion Pharmaceuticals	273	CBS	400
ABB ADR	180	Voya Financial	377
Safran	108	Allergan	353
Allergan	92	TransDigm	298
Brighthouse Financial	89	O'Reilly Automotive	294
American International	65	Citigroup	241
Oracle	65	Delta Air Lines	233
Mylan	59	Oracle	213
Alphabet 'C'	53	Alphabet 'C'	213
Apache	47	ServiceMaster	206
Devon Energy	42	CH Robinson Worldwide	200
Melco Resorts & Entertainment ADR	28	Lowe's	175
		Synchrony Financial	172
		Pioneer Natural Resources	172
		Microsoft	161
Other purchases	–	Other sales	2,417
Total purchases for the period	2,944	Total sales for the period	9,442

Legg Mason IF ClearBridge US Equity Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other Funds) in shares of US companies from various sectors have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other Funds that invest in a broader range of regions.

Concentrated Fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF ClearBridge US Equity Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	214.63	220.13	154.08	213.22	218.13	152.22
Return before operating charges**^	22.75	(2.74)	68.51	22.60	(2.71)	67.82
Operating charges	(1.39)	(2.76)	(2.46)	(1.11)	(2.20)	(1.91)
Return after operating charges*	21.36	(5.50)	66.05	21.49	(4.91)	65.91
Distributions	–	–	(0.29)	–	(0.54)	(0.82)
Retained distributions on accumulation shares	–	–	0.29	–	0.54	0.82
Closing net asset value per share	235.99	214.63	220.13	234.71	213.22	218.13
^ after direct transaction costs of:	0.02	0.10	0.13	0.02	0.10	0.13
Performance						
Return after operating charges*	9.95%	(2.50)%	42.87%	10.08%	(2.25)%	43.30%
Other information						
Closing net asset value (£'000's)	17,557	16,604	20,263	18,481	22,868	28,592
Closing number of shares	7,439,863	7,736,315	9,205,335	7,874,021	10,725,060	13,107,907
Operating charges**	1.26%	1.27%	1.32%	1.00%	1.02%	1.03%
Direct transaction costs***	0.01%	0.05%	0.07%	0.01%	0.05%	0.07%
Prices						
Highest share price	238.70	228.10	220.40	237.40	226.50	218.40
Lowest share price	200.50	205.20	152.50	199.20	203.40	150.70

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF ClearBridge US Equity Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		3,014		(973)
Revenue	284		362	
Expenses	(200)		(275)	
Net revenue before taxation	84		87	
Taxation	(32)		(42)	
Net revenue after taxation		52		45
Total return before distributions		3,066		(928)
Distributions		(1)		(2)
Change in net assets attributable to shareholders from investment activities		3,065		(930)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		39,472		49,251
Amounts receivable on issue of shares	4,745		9,291	
Amounts payable on cancellation of shares	(11,244)		(10,642)	
		(6,499)		(1,351)
Change in net assets attributable to shareholders from investment activities		3,065		(930)
Closing net assets attributable to shareholders		36,038		46,970

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF ClearBridge US Equity Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18	28.02.18
	£'000	£'000
Assets:		
Fixed assets:		
Investments	35,110	38,601
Current assets:		
Debtors	60	104
Cash and bank balances	1,350	915
Total assets	<u>36,520</u>	<u>39,620</u>
Liabilities:		
Creditors		
Other creditors	(482)	(148)
Total liabilities	<u>(482)</u>	<u>(148)</u>
Net assets attributable to shareholders	<u>36,038</u>	<u>39,472</u>

Legg Mason IF ClearBridge US Equity Income Fund

General Information

Investment Manager	ClearBridge Investment, LLC
Fund Size	£37.0m
Sector	North America
Fund Launch	17 October 2011

Investment Objective and Policy

The objective of this Fund is to provide total return by seeking to provide income as well as long-term capital growth over a rolling three to five year period. Although the Fund seeks to provide total return through income generation and capital growth over a rolling three to five year period, there is no guarantee that this will be achieved over such a time period, or any time period. The Fund's capital is at risk. The Fund seeks to achieve its objective by investing at least 70% of its net assets in US equity or US equity related securities, which the investment manager believes have the ability to maintain or increase dividends or

income distributions over the longer term. The Fund may from time to time invest in preferred and convertibles securities as well as fixed-income securities of any quality when the investment manager believes such securities provide a compelling yield opportunity consistent with the Fund's overall objective of total return. The total amount invested in such assets will not exceed 30% of the Fund's net assets. The Fund may invest up to 20% of its net assets in equity or equity related securities of non-US issuers (with market capitalisations generally of at least \$10 billion). The Fund may also invest in other transferable securities, money market instruments, deposits and collective investment schemes. The investment manager's investment process emphasises the individual security selection of companies which it believes have assets or earnings power that are either unrecognized or undervalued.

Legg Mason IF ClearBridge US Equity Income Fund

The Legg Mason IF ClearBridge US Equity Income Fund increased by 11.30% in sterling terms during the period under review, while its index, the S&P 500 Index, rose in sterling terms by 14.45%.

Q. What were the leading contributors to performance during the reporting period?

A. Stock selection in the Consumer Staples and Information Technology ("IT") sectors contributed the most to relative performance. The leading contributors to performance during the reporting period were Microsoft, Apple, Merck, Union Pacific and Home Depot.

Q. What were the leading detractors from performance during the reporting period?

A. An overweight to the Consumer Staples sector and an underweight to the IT sector detracted the most. Stock selection in the Consumer Discretionary and Energy sectors also detracted. The leading detractors from performance during the reporting period were 3M, International Paper, Blackrock, AT&T and Anheuser-Busch InBev.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. During the period the portfolio initiated positions in PNC Financial and Suncor Energy. We closed positions in Lamb Weston and Kimberly-Clark. At the end of the period the portfolio's largest overweights were to the Consumer Staples and Materials sectors; its largest underweights were to the IT and Health Care sectors.

After trending steadily upward throughout 2017, the market has entered a choppy phase. With earnings this year getting a pop from corporate tax cuts, we expect another strong year of dividend increases. Valuations for all asset classes are on the fuller side, but recent volatility has created valuation discrepancies across sectors in a way that had not been present before. As investors digest the recent market moves and map out portfolio allocations for the road ahead, we expect investors will return to dividend-growth stocks. This is a trend we have seen before in previous cycles of rising interest rates. We believe that holding a portfolio of high-quality dividend growers is an attractive investment proposition for today's current economic and market backdrop.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
PNC Financial Services	599	Alphabet 'C'	676
Enbridge	216	Lamb Weston	556
US Bancorp	189	Union Pacific	471
Comcast Class A Special	179	WEC Energy	434
Suncor Energy	98	Texas Instruments	419
AT&T	71	Nestle ADR	413
Kinder Morgan	24	Home Depot	386
		Apple	378
		Johnson & Johnson	374
		JPMorgan Chase	370
		Microsoft	347
		AT&T	342
		3M	330
		American Tower*	318
		Procter & Gamble	316
		Kimberly-Clark	309
		Merck	300
		DowDuPont	294
		United Parcel Service	287
		Comcast Class A Special	283
Other purchases	–	Other sales	6,994
Total purchases for the period	1,376	Total sales for the period	14,597

* Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in shares of US companies from various sectors have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Bonds: There is a risk that issuers of bonds held by the Fund may not be able to repay the investment or pay the interest due on it, leading to losses for the Fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

Geographical focus: This Fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other Funds that invest in a broader range of regions.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

Hedged class currency: The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the Fund's investment strategy and the currency of your share class, pound sterling. The Fund manager will try to protect the value of your investment against such changes, but it may not succeed.

Derivatives: The use of derivatives can result in greater fluctuations of the share classes value and may cause the share class to lose as much as or more than the amount invested in the derivatives.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Income			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	201.78	199.90	155.25	238.08	231.24	175.65
Return before operating charges**	23.64	7.71	50.18	28.05	8.98	57.45
Operating charges	(1.37)	(2.62)	(2.38)	(1.15)	(2.14)	(1.86)
Return after operating charges*	22.27	5.09	47.80	26.90	6.84	55.59
Distributions	(2.04)	(3.21)	(3.15)	(2.59)	(4.09)	(3.87)
Retained distributions on accumulation shares	–	–	–	2.59	4.09	3.87
Closing net asset value per share	222.01	201.78	199.90	264.98	238.08	231.24
^ after direct transaction costs of:	0.01	0.04	0.04	0.01	0.04	0.05
Performance						
Return after operating charges*	11.04%	2.55%	30.79%	11.30%	2.96%	31.65%
Other information						
Closing net asset value (£'000's)	820	805	1,108	9,766	11,866	26,889
Closing number of shares	369,250	399,005	554,232	3,685,829	4,983,959	11,628,449
Operating charges**	1.32%	1.30%	1.35%	0.93%	0.91%	0.91%
Direct transaction costs***	0.00%	0.02%	0.02%	0.00%	0.02%	0.02%
Prices						
Highest share price	226.60	212.60	201.10	269.30	249.90	231.80
Lowest share price	187.00	191.50	153.80	220.90	221.70	174.00
Change in net assets per Share	Share Class X Income			Share Class X Income (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	209.81	207.37	160.54	179.90	161.65	140.53
Return before operating charges**	24.65	8.01	52.04	7.52	22.75	25.43
Operating charges	(1.01)	(1.91)	(1.70)	(0.93)	(1.73)	(1.55)
Return after operating charges*	23.64	6.10	50.34	6.59	21.02	23.88
Distributions	(2.27)	(3.66)	(3.51)	(1.80)	(2.77)	(2.76)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	231.18	209.81	207.37	184.69	179.90	161.65
^ after direct transaction costs of:	0.01	0.04	0.04	0.01	0.03	0.03
Performance						
Return after operating charges*	11.27%	2.94%	31.36%	3.66%	13.00%	16.99%
Other information						
Closing net asset value (£'000's)	25,660	34,483	68,284	725	744	614
Closing number of shares	11,099,686	16,435,698	32,928,180	392,345	413,784	379,596
Operating charges**	0.93%	0.91%	0.91%	1.03%	1.01%	1.01%
Direct transaction costs***	0.00%	0.02%	0.02%	0.00%	0.02%	0.02%
Prices						
Highest share price	236.00	221.10	208.70	186.50	192.00	162.30
Lowest share price	194.50	198.80	159.00	169.60	160.50	141.10

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		3,560		806
Revenue	524		1,095	
Expenses	(183)		(402)	
Net revenue before taxation	341		693	
Taxation	(74)		(157)	
Net revenue after taxation		267		536
Total return before distributions		3,827		1,342
Distributions		(417)		(868)
Change in net assets attributable to shareholders from investment activities		3,410		474

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		47,898		97,708
Amounts receivable on issue of shares	257		1,579	
Amounts payable on cancellation of shares	(14,695)		(24,179)	
		(14,438)		(22,600)
Change in net assets attributable to shareholders from investment activities		3,410		474
Retained distributions on accumulation shares		101		208
Closing net assets attributable to shareholders		36,971		75,790

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	36,386	46,452
Current assets:		
Debtors	308	134
Cash and bank balances	728	1,889
Total assets	<u>37,422</u>	<u>48,475</u>
Liabilities:		
Investment liabilities	–	(7)
Creditors		
Bank overdrafts	–	(3)
Distribution payable	(132)	(135)
Other creditors	(319)	(432)
Total liabilities	<u>(451)</u>	<u>(577)</u>
Net assets attributable to shareholders	<u>36,971</u>	<u>47,898</u>

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.0392	–	1.0392	1.0246
Group 2	0.5696	0.4696	1.0392	1.0246

Class X Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.3093	–	1.3093	1.2669
Group 2	0.7858	0.5235	1.3093	1.2669

Class X Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.1536	–	1.1536	1.1361
Group 2	0.5924	0.5612	1.1536	1.1361

Class X Income (hedged) Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.9379	–	0.9379	0.8544
Group 2	0.6197	0.3182	0.9379	0.8544

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Second Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.0042	–	1.0042	0.8069
Group 2	0.2838	0.7204	1.0042	0.8069

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.2778	–	1.2778	1.0292
Group 2	0.5609	0.7169	1.2778	1.0292

Class X Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.1202	–	1.1202	0.9103
Group 2	0.5799	0.5403	1.1202	0.9103

Class X Income (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.8588	–	0.8588	0.6974
Group 2	0.4093	0.4495	0.8588	0.6974

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Japan Equity Fund

General Information

Investment Manager	Shiozumi Asset Management Company Limited
Fund Size	£1,111m
Sector	Japan
Fund Launch	22 October 1996

Investment Objective and Policy

The objective of the Fund is to achieve capital growth through investment in securities of Japanese companies. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in the securities of Japanese companies, which have above average growth prospects relative to the shares of Japanese companies as a whole. The Fund may hold up to 10% of its net asset value in cash or near cash where, in the Investment Manager's opinion, attractive investment opportunities cannot be found. In exceptional market conditions and/or for liquidity management purposes, the Fund may hold cash or near cash in excess of 10% of its net asset value.

Legg Mason IF Japan Equity Fund

The Legg Mason IF Japan Equity Fund returned 1.84% in sterling terms during the period under review, while its benchmark, the Japan TSE First Section (Topix) Index, returned 1.27% in sterling terms.

Q. What were the leading contributors to performance during the reporting period?

A. The leading contributors to performance were Monotaro, an online supplier of factory-use supplies, Start Today, Japan's largest online fashion retailer, and GMO Payment Gateway, a provider of credit card settlement services to e-commerce companies and public agencies.

Q. What were the leading detractors from performance during the reporting period?

A. The leading detractors from performance were Cyberdyne, a developer and manufacturer of robotics for medical use, Nihon M&A Center, a merger and acquisition ("M&A") consultant for smaller companies, and Nintendo, a developer, manufacturer and seller of game hardware and software in the home entertainment industry.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. Our investment strategy remained the same, with the portfolio focusing on domestic-oriental sectors that we believe will be major beneficiaries from workstyle reforms. These include medical & nursing care services, outsourcing business and e-commerce companies. At the end of the reporting period, health care-related holdings accounted for 27.8% of the portfolio, elderly-related companies represented 10.2% of the portfolio, consumption-related companies (including online businesses) represented 29.5% of the portfolio, internet service companies represented 8.1% of the portfolio, and human resources and outsourcing companies represented 19.2% of the portfolio.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

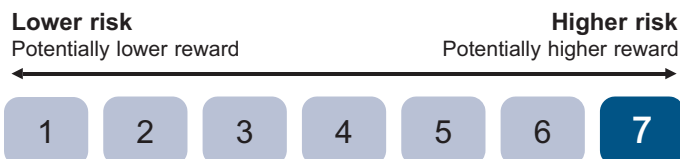
Summary of Significant Changes

For the six months ended 31 August 2018

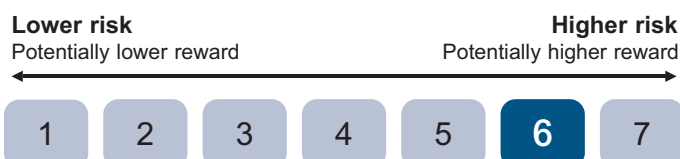
Purchases	Costs £'000	Sales	Proceeds £'000
Fanci	17,570	Gunosy	6,441
en-japan	16,580	Sosei	6,023
Oriental Land	11,174	Digital Garage	5,945
Don Quijote	10,825	Sohgo Security Services	5,264
Nintendo	10,651	Oriental Land	4,900
Pigeon	8,510	Nintendo	3,897
Start Today	7,970	Goldwin	2,929
JCR Pharmaceuticals	7,149	PeptiDream	2,888
Relo	6,912	NanoCarrier	2,735
Digital Garage	6,842	Toridoll	2,709
Vector	6,142	Dip	2,626
Vision	5,575	Terumo	2,015
Terumo	5,484	Macromill	1,816
Goldwin	5,465	Fanci	1,773
UT	4,950	Nihon M&A Center	1,759
Tsuruha	4,119	CYBERDYNE	1,555
Takara Bio	4,034	Imagica Robot	1,113
Sosei	3,856	Asahi Intecc	1,020
Anicom	2,974	Kusuri no Aoki	553
M3	2,946	JCR Pharmaceuticals	538
Other purchases	19,700	Other sales	2,258
Total purchases for the period	169,428	Total sales for the period	60,757

Legg Mason IF Japan Equity Fund (continued)

Risk and Reward Profile – Classes A Accumulation, X Accumulation



Risk and Reward Profile – Classes A Accumulation (Hedged), X Accumulation (Hedged)



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other funds) in shares of small cap Japanese companies from various sectors have historically been subject to large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Liquidity: In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to minimise a loss on such investments.

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in Japan, which means that it is more sensitive to local economic, market, political or regulatory events in Japan, and will be more affected by these events than other Funds that invest in a broader range of regions.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated Fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

Hedged class currency: The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the Fund's investment strategy and the currency of your share class, pound sterling. The Fund manager will try to protect the value of your investment against such changes, but it may not succeed.

Derivatives: The use of derivatives can result in greater fluctuations of the share classes value and may cause the share class to lose as much as or more than the amount invested in the derivatives.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Japan Equity Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class A Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	697.74	488.75	397.37	237.90	156.69	146.03
Return before operating charges**	16.25	216.28	97.76	0.72	83.93	12.88
Operating charges	(4.51)	(7.29)	(6.38)	(1.67)	(2.72)	(2.22)
Return after operating charges*	11.74	208.99	91.38	(0.95)	81.21	10.66
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	709.48	697.74	488.75	236.95	237.90	156.69
^ after direct transaction costs of:	0.30	0.64	0.90	0.10	0.22	0.30
Performance						
Return after operating charges*	1.68%	42.76%	23.00%	(0.40)%	51.83%	7.30%
Other information						
Closing net asset value (£'000's)	105,493	106,508	76,022	3,432	5,982	1,417
Closing number of shares	14,868,885	15,264,795	15,554,436	1,448,435	2,514,658	904,192
Operating charges**	1.27%	1.27%	1.31%	1.37%	1.37%	1.38%
Direct transaction costs***	0.04%	0.11%	0.18%	0.04%	0.11%	0.18%
Prices						
Highest share price	742.90	698.50	572.40	252.80	243.60	186.50
Lowest share price	654.70	491.60	402.20	220.50	157.30	141.00
	Share Class X Accumulation			Share Class X Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	457.10	319.39	258.91	369.37	243.34	223.49
Return before operating charges**	10.65	141.57	63.71	(0.64)	129.43	22.62
Operating charges	(2.37)	(3.86)	(3.23)	(2.10)	(3.40)	(2.77)
Return after operating charges*	8.28	137.71	60.48	(2.74)	126.03	19.85
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	465.38	457.10	319.39	366.63	369.37	243.34
^ after direct transaction costs of:	0.20	0.42	0.59	0.16	0.34	0.46
Performance						
Return after operating charges*	1.81%	43.12%	23.36%	(0.74)%	51.79%	8.88%
Other information						
Closing net asset value (£'000's)	790,207	658,102	341,088	211,835	215,292	114,501
Closing number of shares	169,798,884	143,974,428	106,795,194	57,779,194	58,286,131	47,053,001
Operating charges**	1.02%	1.02%	1.01%	1.12%	1.12%	1.11%
Direct transaction costs***	0.04%	0.11%	0.18%	0.04%	0.11%	0.18%
Prices						
Highest share price	487.20	457.60	373.40	390.90	378.40	286.90
Lowest share price	429.10	321.30	262.10	341.10	244.20	218.40

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Japan Equity Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		14,035		123,790
Revenue	3,793		2,347	
Expenses	(5,763)		(3,301)	
Net expense before taxation	(1,970)		(954)	
Taxation	(373)		(240)	
Net expense after taxation		(2,343)		(1,194)
Total return before distributions		11,692		122,596
Distributions		38		(2)
Change in net assets attributable to shareholders from investment activities		11,730		122,594

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		985,884		554,138
Amounts receivable on issue of shares	180,306		100,808	
Amounts payable on cancellation of shares	(66,953)		(70,481)	
		113,353		30,327
Change in net assets attributable to shareholders from investment activities		11,730		122,594
Closing net assets attributable to shareholders		1,110,967		707,059

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Japan Equity Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	<u>31.08.18</u> £'000	<u>28.02.18</u> £'000
Assets:		
Fixed assets:		
Investments	1,109,070	978,725
Current assets:		
Debtors	2,837	7,246
Cash and bank balances	<u>3,992</u>	<u>7,792</u>
Total assets	<u>1,115,899</u>	<u>993,763</u>
Liabilities:		
Investment liabilities	–	(1,328)
Creditors		
Other creditors	<u>(4,932)</u>	<u>(6,551)</u>
Total liabilities	<u>(4,932)</u>	<u>(7,879)</u>
Net assets attributable to shareholders	<u>1,110,967</u>	<u>985,884</u>

Legg Mason IF Martin Currie Asia Pacific Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£42.9m
Sector	Asia Pacific
Fund Launch	14 February 1994

Investment Objective and Policy

To achieve long-term capital growth through investment in the Asia Pacific region, excluding Japan. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of companies in any economic sector domiciled or having their principal activities in the Asia Pacific region, excluding Japan. The Fund will invest principally in equity securities but may also invest in other transferable securities, money market instruments, derivatives and forward transactions (for investment purposes as well as efficient portfolio management purposes), deposits and collective investment schemes. The Fund will usually invest in a concentrated portfolio (typically 40-60 holdings).

Legg Mason IF Martin Currie Asia Pacific Fund

The Legg Mason IF Martin Currie Asia Pacific Fund increased by 1.89% in sterling terms during the period under review, while its index, the MSCI AC Asia Pacific ex Japan Index (Net) (GBP), decreased in sterling terms by 0.13%.

Q. What were the leading contributors to performance during the reporting period?

A. In regional terms, China made the most significant contribution to performance. The Financials sector was the best-performing sector in relative terms. At a stock level, Chinese oil firm CNOOC, Australian diversified financial group Macquarie and Taiwan-based commercial bank E.Sun Financial fared the best.

Q. What were the leading detractors from performance during the reporting period?

A. India weighed the most on performance, with Information Technology ("IT") the worst-performing sector within the portfolio. At a stock level, Indian financial inclusion services Vakrangee, Australian healthcare firm CSL and Chinese auto-parts company Minth were the worst performers.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to China, Australia and Korea. At a sector level, the biggest allocations were to IT, Financials and Consumer Discretionary. New purchases over the period were pan-Asian retailer Dairy Farm and Korean online game developer Com2uS. Sales included Korean car parts firm Hyundai Mobis, Korean manufacturer Hyundai Steel and we sold depositary receipts in satellite TV service Dish TV (the portfolio had received these following an arbitrage trade when the company purchased competitor Videocon – another sale over the period).

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Singapore Technologies Engineering	670	Hyundai Mobis	746
Dairy Farm International	585	Dish TV India	551
Com2uS	563	MINTH	538
TravelSky Technology	274	Hyundai Steel	517
Infosys	245	Singapore Telecommunications	514
Zhejiang Expressway	168	Tencent	483
Sino Land	134	Primax Electronics	465
Vakrangee	128	Coca-Cola Amatil	304
HDFC Bank ADR	126	AIA	269
Woolworths	113	Taiwan Semiconductor Manufacturing	263
Genting	113	Li Ning	198
Coway	111	Alibaba ADR	186
Tencent	107	Samsonite International	108
Hero MotoCorp	106	ENN Energy	106
IRB Infrastructure Developers	95	China Construction Bank	105
Alibaba ADR	91	CNOOC	104
Innocean Worldwide	86	United Overseas Bank	92
Oil Search	60	Commonwealth Bank of Australia	88
China Construction Bank	59	Jiangnan	67
Commonwealth Bank of Australia	54	Samsung Electronics	67
Other purchases	550	Other sales	1,167
Total purchases for the period	4,438	Total sales for the period	6,938

Stocks shown as ADRs represent American Depositary Receipts.

Legg Mason IF Martin Currie Asia Pacific Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The fund is in its risk/reward category because a concentrated investment (the fund holds fewer investments than many other funds) in shares of companies from various Asian countries and sectors has historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in Asia, which means that it is more sensitive to local economic, market, political or regulatory events in Asia, and will be more affected by these events than other Funds that invest in a broader range of regions.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie Asia Pacific Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	176.20	155.63	107.86	195.18	171.98	118.84
Return before operating charges**^	4.28	22.81	49.59	4.76	25.20	54.72
Operating charges	(1.16)	(2.24)	(1.82)	(1.04)	(2.00)	(1.58)
Return after operating charges*	3.12	20.57	47.77	3.72	23.20	53.14
Distributions	–	(2.22)	(1.84)	–	(2.93)	(2.46)
Retained distributions on accumulation shares	–	2.22	1.84	–	2.93#	2.46
Closing net asset value per share	179.32	176.20	155.63	198.90	195.18	171.98
^ after direct transaction costs of:	0.08	0.19	0.15	0.09	0.22	0.17
Performance						
Return after operating charges*	1.77%	13.22%	44.29%	1.91%	13.49%	44.72%
Other information						
Closing net asset value (£'000's)	12,486	14,310	12,525	30,430	31,481	32,485
Closing number of shares	6,962,758	8,121,736	8,047,756	15,299,248	16,129,132	18,889,270
Operating charges**	1.29%	1.30%	1.36%	1.04%	1.05%	1.06%
Direct transaction costs***	0.04%	0.11%	0.12%	0.04%	0.11%	0.12%
Prices						
Highest share price	185.40	187.40	157.00	205.50	207.60	173.50
Lowest share price	168.80	155.10	109.40	187.00	171.40	120.60

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Comparatives figures have been restated.

Legg Mason IF Martin Currie Asia Pacific Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		400		5,310
Revenue	798		886	
Expenses	(247)		(255)	
Net revenue before taxation	551		631	
Taxation	(58)		(66)	
Net revenue after taxation		493		565
Total return before distributions		893		5,875
Distributions		(12)		(11)
Change in net assets attributable to shareholders from investment activities		881		5,864

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		45,791		45,057
Amounts receivable on issue of shares	1,452		185	
Amounts payable on cancellation of shares	(5,208)		(3,231)	
		(3,756)		(3,046)
Change in net assets attributable to shareholders from investment activities		881		5,864
Closing net assets attributable to shareholders		42,916		47,875

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie Asia Pacific Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18	28.02.18
	£'000	£'000
Assets:		
Fixed assets:		
Investments	42,291	44,392
Current assets:		
Debtors	114	187
Cash and bank balances	716	1,279
Total assets	<u>43,121</u>	<u>45,858</u>
Liabilities:		
Creditors		
Bank overdrafts	(6)	–
Other creditors	(199)	(67)
Total liabilities	<u>(205)</u>	<u>(67)</u>
Net assets attributable to shareholders	<u>42,916</u>	<u>45,791</u>

Legg Mason IF Martin Currie China Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£4.9m
Sector	China
Fund Launch	10 March 2010

Investment Objective and Policy

The objective of the Fund is to achieve long-term capital growth through investment in China. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of companies listed in China or with significant assets, investments, production activities, trading or other business interests in China, or which derive a significant part of their revenue from China. The Fund will invest principally in equity securities but may also invest in other transferable securities, money market instruments, derivatives and forward transactions (for investment purposes as well as efficient portfolio management purposes), deposits and collective investment schemes. Investors should note

that the investment manager deems 'China' to include the People's Republic of China and Hong Kong. Therefore any reference to 'China' should be construed and interpreted accordingly. The Fund may from time to time invest in all or any of the above mentioned territories. The Fund may, from time to time, and at the investment manager's discretion, be invested in a lesser number of stocks than is typical of an equity fund. This may result in a high percentage of cash being held in the Fund while investment decisions are made as to the portfolio selection or because of short term trading imbalances. This could have an impact on the performance of the Fund. Under normal circumstances, the Fund will invest in a concentrated portfolio (typically 30-50 holdings).

Legg Mason IF Martin Currie China Fund

The Legg Mason IF Martin Currie China Fund decreased by 7.45% in sterling terms during the period under review, while its index, the MSCI Zhong Hua (Net) (GBP), decreased 5.23%.

Q. What were the leading contributors to performance during the reporting period?

A. In sector terms, Health Care stocks fared the best in the portfolio. At a stock level, WuXi Biologics was the top performer. Internet and entertainment giant Tencent and China Conch Venture Holdings, a Hong Kong-based firm, providing environmental-protection solutions, were also strong performers.

Q. What were the leading detractors from performance during the reporting period?

A. The Consumer Discretionary sector was the worst performer at a portfolio level. In stock terms, materials firm China Molybdenum weighed the most on returns. Sinopec, which trades petroleum and petrochemical products and auto-parts supplier Nexteer Automotive were also notable detractors.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to the Information Technology and Financials sectors. Purchases over the period included instant-noodle manufacturer Tingyi, property developer Agile Group and gas supplier ENN Energy. Sales included e-commerce company JD.Com, pharmaceutical Sino Biopharm and real estate investment trust Link REIT.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

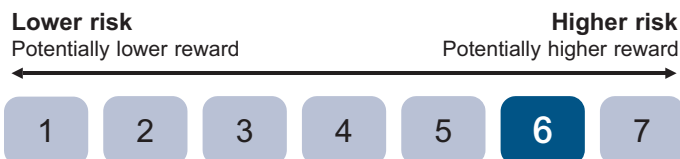
Purchases	Costs £'000	Sales	Proceeds £'000
Tencent	122	Alibaba ADR	149
Tingyi Cayman Islands	97	JD.com ADR	121
Agile Group	89	Sino Biopharmaceutical	120
ENN Energy	84	Link REIT*	109
Foshan Haitian Flavouring	83	TAL Education ADR	91
China Mobile	82	CSPC Pharmaceutical	90
AIA	80	Fuyao Glass Industry	90
China Evergrande	77	Baidu ADR	87
CK Hutchison	71	Country Garden	79
JNBY Design	70	Ctrip.com International ADR	79
Alibaba ADR	70	Tencent	77
China Yuhua Education	68	Sunny Optical Technology	75
H&H	67	Times China	74
AAC Technologies	64	Wynn Macau	66
NetEase ADR	61	AAC Technologies	65
Xiaomi	61	China Taiping Insurance	63
Baidu ADR	54	Hong Kong Exchanges and Clearing	59
Sunny Optical Technology	49	Ping An Insurance	58
Ping An Insurance	48	China Yuhua Education	57
China Molybdenum	46	NetEase ADR	55
Other purchases	402	Other sales	607
Total purchases for the period	1,845	Total sales for the period	2,271

Stocks shown as ADRs represent American Depositary Receipt.

* Real Estate Investment Trust.

Legg Mason IF Martin Currie China Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other Funds) in shares of Chinese companies from various sectors has historically been subject to large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Investment in China: The Fund invests in China and is subject to the risk of significant change in political, social or economic policy in China, which may negatively affect the value of such investments.

Geographical focus: This Fund invests primarily in China, which means that it is more sensitive to local economic, market, political or regulatory events in China, and will be more affected by these events than other Funds that invest in a broader range of regions.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie China Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	193.54	148.00	101.30	199.91	152.50	104.07
Return before operating charges**^	(12.78)	48.71	49.12	(13.22)	50.24	50.56
Operating charges	(1.77)	(3.17)	(2.42)	(1.58)	(2.83)	(2.13)
Return after operating charges*	(14.55)	45.54	46.70	(14.80)	47.41	48.43
Distributions	(0.00)	(0.00)	(0.40)	(0.00)	(0.47)	(0.80)
Retained distributions on accumulation shares	0.00	0.00	0.40	0.00	0.47	0.80
Closing net asset value per share	178.99	193.54	148.00	185.11	199.91	152.50
^ after direct transaction costs of:	0.17	0.34	0.18	0.18	0.36	0.19
Performance						
Return after operating charges*	(7.52)%	30.77%	46.10%	(7.40)%	31.09%	46.54%
Other information						
Closing net asset value (£'000's)	1,230	1,356	1,029	3,670	4,296	2,576
Closing number of shares	687,463	700,861	695,402	1,982,520	2,148,685	1,689,131
Operating charges**	1.82%	1.81%	1.92%	1.57%	1.56%	1.62%
Direct transaction costs***	0.09%	0.20%	0.14%	0.09%	0.20%	0.14%
Prices						
Highest share price	209.00	201.70	151.00	216.00	208.30	155.50
Lowest share price	177.90	148.20	101.90	184.00	152.70	104.70

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Martin Currie China Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(479)		836
Revenue	91		74	
Expenses	(40)		(32)	
Net revenue before taxation	51		42	
Taxation	(5)		(5)	
Net revenue after taxation		46		37
Total return before distributions		(433)		873
Distributions		(2)		1
Change in net assets attributable to shareholders from investment activities		(435)		874

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		5,652		3,605
Amounts receivable on issue of shares	965		968	
Amounts payable on cancellation of shares	(1,282)		(514)	
		(317)		454
Change in net assets attributable to shareholders from investment activities		(435)		874
Closing net assets attributable to shareholders		4,900		4,933

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie China Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18	28.02.18
	£'000	£'000
Assets:		
Fixed assets:		
Investments	4,682	5,581
Current assets:		
Debtors	10	29
Cash and bank balances	238	64
Total assets	<u>4,930</u>	<u>5,674</u>
Liabilities:		
Creditors		
Other creditors	(30)	(22)
Total liabilities	<u>(30)</u>	<u>(22)</u>
Net assets attributable to shareholders	<u>4,900</u>	<u>5,652</u>

Legg Mason IF Martin Currie Emerging Markets Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£21.9m
Sector	Emerging Markets
Fund Launch	09 September 1991

Investment Objective and Policy

The objective of the Fund is to achieve long-term capital growth through investment in emerging markets. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of companies domiciled or having their principal activities in emerging market countries. The Fund will invest principally in equity securities but may also invest in other transferable securities, money market instruments, derivatives and forward transactions (for investment purposes as well as efficient portfolio management purposes), deposits and collective investment schemes. The Fund will usually invest in a concentrated portfolio (typically 40-60 holdings).

Legg Mason IF Martin Currie Emerging Markets Fund

The Legg Mason IF Martin Currie Emerging Markets Fund decreased by 4.02% in sterling terms during the period under review, ahead of the MSCI EM Index (Net) (GBP), which decreased in sterling terms by 4.79%.

Q. What were the leading contributors to performance during the reporting period?

A. In regional terms, Korea was the best performer over the period. At a sector level, the Information Technology ("IT") sector fared the best within the portfolio. At a stock level, EPAM Systems, a global provider of software engineering, Chinese oil firm CNOOC and chipmaker Taiwan Semiconductor were the most notable positives.

Q. What were the leading detractors from performance during the reporting period?

A. Turkey was the most notable detractor over the period, while the Health Care sector weighed the most on returns. In stock terms, Turkish mobile operator Turkcell, Brazilian conglomerate Cosan and Turkish financial Arbank were the worst performers.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to China, Korea and Taiwan. In sector terms, the largest allocation was to the IT, Consumer Discretionary and Financials sectors. Purchases over the period included Chinese car firm Brilliance, Korean storage battery manufacturer Samsung SDI and Taiwan-based manufacturer Globalwafers. Chinese car manufacturer Dongfeng and South African mobile operator Telkom were both sold over the period.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
iShares MSCI Emerging Markets	1,004	iShares MSCI Emerging Markets	1,304
Samsung Electronics	334	Telekom	208
Brilliance China Automotive Holdings	277	China Gas	203
Tencent	262	Dongfeng Motor	185
Samsung SDI	249	Maruti Suzuki India	99
Taiwan Semiconductor Manufacturing	242	Titan	80
Alibaba ADR	236	Yes Bank	65
Globalwafers	225	Samsung Electronics	52
Sunny Optical Technology	198	Infraestructura Energetica Nova	32
Naspers	165	Wilson Sons BDR	17
Industrial & Commercial Bank of China	158	Tencent	14
Yes Bank	113		
Aspen Pharmacare	112		
Maruti Suzuki India	103		
Credicorp	91		
OTP Bank	90		
LG Chem	89		
Titan	85		
SK Hynix	82		
AIA	81		
Other purchases	1,341	Other sales	–
Total purchases for the period	5,537	Total sales for the period	2,259

Stocks shown as ADRs and BDRs represent American Depositary Receipts and Brazilian Depositary Receipts.

Legg Mason IF Martin Currie Emerging Markets Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other Funds) in shares of small cap companies from various emerging market countries and sectors has historically been subject to large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie Emerging Markets Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	325.16	260.15	174.02	360.06	287.35	191.65
Return before operating charges**	(10.90)	69.87	89.82	(12.02)	77.28	99.05
Operating charges	(2.56)	(4.86)	(3.69)	(2.38)	(4.57)	(3.35)
Return after operating charges*	(13.46)	65.01	86.13	(14.40)	72.71	95.70
Distributions	–	(1.16)	(0.83)	–	(2.12)	(1.62)
Retained distributions on accumulation shares	–	1.16	0.83	–	2.12	1.62
Closing net asset value per share	311.70	325.16	260.15	345.66	360.06	287.35
^ after direct transaction costs of:	0.11	0.32	0.25	0.12	0.36	0.27
Performance						
Return after operating charges*	(4.14)%	24.99%	49.49%	(4.00)%	25.30%	49.93%
Other information						
Closing net asset value (£'000's)	5,885	6,177	5,662	15,542	13,536	11,526
Closing number of shares	1,887,904	1,899,827	2,176,261	4,496,402	3,759,305	4,011,210
Operating charges**	1.58%	1.62%	1.65%	1.33%	1.37%	1.37%
Direct transaction costs***	0.03%	0.11%	0.11%	0.03%	0.11%	0.11%
Prices						
Highest share price	337.00	340.80	264.10	373.20	377.30	291.70
Lowest share price	309.10	260.00	176.50	342.80	287.30	194.40
Change in net assets per Share	Share Class S Accumulation ¹					
	31.08.18 (p)					
Opening net asset value per share	100.00					
Return before operating charges**	(2.77)					
Operating charges	(0.19)					
Return after operating charges*	(2.96)					
Distributions	–					
Retained distributions on accumulation shares	–					
Closing net asset value per share	97.04					
^ after direct transaction costs of:	0.03					
Performance						
Return after operating charges*	(2.96)%					
Other information						
Closing net asset value (£'000's)	485					
Closing number of shares	500,000					
Operating charges**	0.60%					
Direct transaction costs***	0.03%					
Prices						
Highest share price	103.20					
Lowest share price	96.18					

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

¹ Launched 9 May 2018.

Legg Mason IF Martin Currie Emerging Markets Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(1,094)		3,123
Revenue	345		296	
Expenses	(143)		(126)	
Net revenue before taxation	202		170	
Taxation	(39)		(33)	
Net revenue after taxation		163		137
Total return before distributions		(931)		3,260
Distributions		1		(11)
Change in net assets attributable to shareholders from investment activities		(930)		3,249

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		19,713		17,188
Amounts receivable on issue of shares	4,412		518	
Amounts payable on cancellation of shares	(1,283)		(2,591)	
		3,129		(2,073)
Change in net assets attributable to shareholders from investment activities		(930)		3,249
Closing net assets attributable to shareholders		21,912		18,364

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie Emerging Markets Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	21,770	19,580
Current assets:		
Debtors	100	74
Cash and bank balances	<u>87</u>	<u>137</u>
Total assets	<u>21,957</u>	<u>19,791</u>
Liabilities:		
Creditors		
Other creditors	<u>(45)</u>	<u>(78)</u>
Total liabilities	<u>(45)</u>	<u>(78)</u>
Net assets attributable to shareholders	<u>21,912</u>	<u>19,713</u>

Legg Mason IF Martin Currie European Equity Income Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£15.7m
Sector	Europe
Fund Launch	06 May 1985

Investment Objective and Policy

The objective of the Fund is to provide an annual yield in excess of the MSCI Europe (ex UK) Index (Net) as well as the potential for capital growth through investment in Continental Europe. Although the Fund seeks to provide an annual yield in excess of that of the MSCI Europe (ex UK) Index (Net), as well as the potential for capital growth, this objective is not guaranteed; the objective may not be achieved; the Fund may experience negative returns and investors may not get back the amount originally invested. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of companies listed in Continental Europe. The Fund will invest principally in equity securities but may also

invest in other transferable securities, money market instruments, deposits and collective investment schemes. The Fund will invest in a concentrated portfolio (typically 40-60 holdings).

Legg Mason IF Martin Currie European Equity Income Fund

The Legg Mason IF Martin Currie European Equity Income Fund decreased by 0.38% in sterling terms during the period under review, compared with the MSCI Europe ex UK Index (Net) (GBP), which rose in sterling terms by 3.38%.

Q. What were the leading contributors to performance during the reporting period?

A. In regional terms, Switzerland made the most significant contribution to performance. Energy and Real Estate were the best-performing sectors in relative terms. At a stock level, German real estate firm Deutsche Wohnen, Spanish Bank Santander and Italian oil & gas company Eni were the most notable positives.

Q. What were the leading detractors from performance during the reporting period?

A. Germany weighed the most on performance, with Consumer Discretionary the worst-performing sector within the portfolio. At a stock level, Italian financial Intesa Sanpaolo, Danish jeweller Pandora and French international bank BNP Paribas were the worst performers.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to Germany and France. At a sector level, the biggest allocations were to the Financials sector, along with the Health Care sector. Over the period, we bought German pharmaceutical and life sciences company Bayer, and sold Pandora.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Bayer	520	Pandora	259
Schneider Electric	81	Airbus	245
Intesa Sanpaolo	80	Koninklijke DSM	155
Deutsche Post	79	DNB	77
ING	78	Novartis	69
Unibail-Rodamco REIT*	48	Deutsche Wohnen	47
Orkla	41		
Saint-Gobain	40		
Total purchases for the period	967	Total sales for the period	852

* Real Estate Investment Trust

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The fund is in its risk/reward category because a concentrated investment (the fund holds fewer investments than many other funds) in shares of companies from various European countries and sectors has historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in Europe, which means that it is more sensitive to local economic, market, political or regulatory events in Europe, and will be more affected by these events than other Funds that invest in a broader range of regions.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Charges from capital: The Fund's fees and expenses may be taken from its capital (rather than income). This will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class A Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	444.83	402.74	331.45	363.93	340.97	290.38
Return before operating charges**	0.76	48.21	76.54	0.59	40.81	65.39
Operating charges	(3.09)	(6.12)	(5.25)	(2.49)	(5.09)	(4.51)
Return after operating charges*	(2.33)	42.09	71.29	(1.90)	35.72	60.88
Distributions	(13.87)	(15.28)	(11.82)	(11.29)	(12.76)	(10.29)
Retained distributions on accumulation shares	13.87	15.28	11.82	–	–	–
Closing net asset value per share	442.50	444.83	402.74	350.74	363.93	340.97
^ after direct transaction costs of:	0.03	0.26	0.22	0.02	0.22	0.19
Performance						
Return after operating charges*	(0.52)%	10.45%	21.51%	(0.52)%	10.48%	20.97%
Other information						
Closing net asset value (£'000's)	8,996	9,190	9,875	128	132	128
Closing number of shares	2,033,121	2,065,883	2,451,971	36,400	36,171	37,473
Operating charges**	1.38%	1.38%	1.43%	1.38%	1.38%	1.43%
Direct transaction costs***	0.01%	0.06%	0.06%	0.01%	0.06%	0.06%
Prices						
Highest share price	457.60	461.30	409.00	373.60	379.50	346.60
Lowest share price	424.70	405.10	325.10	344.40	343.00	280.90
	Share Class X Accumulation			Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	493.73	445.95	365.96	404.75	378.24	321.05
Return before operating charges**	0.84	53.36	84.61	0.67	45.29	72.54
Operating charges	(2.81)	(5.58)	(4.62)	(2.28)	(4.62)	(3.97)
Return after operating charges*	(1.97)	47.78	79.99	(1.61)	40.67	68.57
Distributions	(15.40)	(16.80)	(13.06)	(12.57)	(14.16)	(11.38)
Retained distributions on accumulation shares	15.40	16.80	13.06	–	–	–
Closing net asset value per share	491.76	493.73	445.95	390.57	404.75	378.24
^ after direct transaction costs of:	0.03	0.29	0.25	0.02	0.24	0.21
Performance						
Return after operating charges*	(0.40)%	10.71%	21.86%	(0.40)%	10.75%	21.36%
Other information						
Closing net asset value (£'000's)	5,989	6,088	12,244	599	730	713
Closing number of shares	1,217,874	1,233,164	2,745,659	153,292	180,444	188,592
Operating charges**	1.13%	1.13%	1.14%	1.13%	1.13%	1.14%
Direct transaction costs***	0.01%	0.06%	0.06%	0.01%	0.06%	0.06%
Prices						
Highest share price	508.50	511.90	452.70	415.80	421.70	384.40
Lowest share price	471.40	448.70	359.30	383.30	380.60	310.90

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(471)		2,251
Revenue	540		758	
Expenses	(102)		(155)	
Net revenue before taxation	438		603	
Taxation	(42)		(39)	
Net revenue after taxation		396		564
Total return before distributions		(75)		2,815
Distributions		(498)		(719)
Change in net assets attributable to shareholders from investment activities		(573)		2,096

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		16,140		23,107
Amounts receivable on issue of shares	14		181	
Amounts payable on cancellation of shares	(341)		(743)	
		(327)		(562)
Change in net assets attributable to shareholders from investment activities		(573)		2,096
Retained distributions on accumulation shares		472		690
Closing net assets attributable to shareholders		15,712		25,331

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	14,932	15,290
Current assets:		
Debtors	149	412
Cash and bank balances	<u>658</u>	<u>460</u>
Total assets	<u>15,739</u>	<u>16,162</u>
Liabilities:		
Creditors		
Distribution payable	(4)	(2)
Other creditors	<u>(23)</u>	<u>(20)</u>
Total liabilities	<u>(27)</u>	<u>(22)</u>
Net assets attributable to shareholders	<u>15,712</u>	<u>16,140</u>

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	11.5424	–	11.5424	10.0766
Group 2	4.3320	7.2104	11.5424	10.0766

Class A Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	9.4431	–	9.4431	8.5314
Group 2	5.7777	3.6654	9.4431	8.5314

Class X Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	12.8167	–	12.8167	11.1620
Group 2	10.5985	2.2182	12.8167	11.1620

Class X Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	10.5067	–	10.5067	9.4675
Group 2	5.8051	4.7016	10.5067	9.4675

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Second Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	2.3227	–	2.3227	2.6872
Group 2	0.8471	1.4756	2.3227	2.6872

Class A Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.8508	–	1.8508	2.1602
Group 2	0.8391	1.0117	1.8508	2.1602

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	2.5804	–	2.5804	2.8083
Group 2	1.7180	0.8624	2.5804	2.8083

Class X Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	2.0605	–	2.0605	2.3917
Group 2	1.8376	0.2229	2.0605	2.3917

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Martin Currie Global Equity Income Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£166.6m
Sector	North America
Fund Launch	01 November 2010

Investment Objective and Policy

The objective of this Fund is to achieve income, with the potential for capital growth over the long term, by investing in securities of companies listed globally. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in equity securities listed or traded on markets anywhere in the world, whether directly or via financial derivative instruments. The Fund's investment in financial derivative instruments will generally be below 25% of its net asset value. However, from time to time, the investment manager may invest more than this if it believes it is in the interest of the Fund. The Fund will invest in companies which are believed to generate a strong cash flow and provide sustainable or increasing dividends. The Fund will invest in a concentrated portfolio (typically 35-55 holdings).

Legg Mason IF Martin Currie Global Equity Income Fund

The Legg Mason IF Martin Currie Global Equity Income Fund increased by 7.42% in sterling terms during the period under review, while the IA Global Equity Income sector rose in sterling terms by 6.01%

Q. What were the leading contributors to performance during the reporting period?

A. North America and Information Technology ("IT") made the largest absolute contributions to performance over the reporting period. At a stock level, computer giant Microsoft was the top performer over the period, with US pharmaceutical Merck and Canadian integrated energy firm Suncor also notable positives.

Q. What were the leading detractors from performance during the reporting period?

A. No regions or sectors detracted from absolute performance over the period, although emerging markets and Consumer Discretionary were flat in terms of their contribution. The worst performers over the period were German tyre manufacturer Continental, UK DIY retailer Kingfisher and US tobacco company Philip Morris.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weighting was to North America. At a sector level, the biggest allocations were to Financials, IT and Industrials. Purchases over the period included US materials firm Air Products and Chemicals, UK utility SSE and Swiss insurer Zurich. Sales included Australian diagnostic laboratory-medicine companies Sonic Healthcare, Swiss flavours, fragrances & cosmetic manufacturer Givaudan and Canadian financial Bank of Montreal.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Air Products & Chemicals	4,175	Sonic Healthcare	4,105
SSE	4,030	Givaudan	3,971
Zurich Insurance	3,864	Bank of Montreal	3,627
Meggitt	3,208	ING	3,590
Akzo Nobel	3,172	Meggitt	3,208
Prudential	2,436	Banca Generali	2,736
Sanofi	1,714	Prudential	2,291
Shanghai Fosun Pharmaceutical	1,652	British American Tobacco	1,919
Merck	1,631	AT&T	1,636
Microsoft	927	Credicorp	1,211
WEC Energy	841	Chevron	1,170
BCE	774	3M	876
DS Smith	561	Huntington Bancshares	476
Sonic Healthcare	438	CiixaBank	160
AT&T	296	Prudential November 2018	101
		British American Tobacco July 18	96
		Lockheed Martin September 2018	82
		Prudential	78
Total purchases for the period	29,719	Total sales for the period	31,333

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other Funds) in shares of companies from various countries and sectors has historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Hedging: The Fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the Fund and base currency of the Fund itself (hedging). However, hedging transactions can also expose the Fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the Fund.

Leverage: The Fund may use derivatives to help try to achieve the Fund's objective which may result in the Fund being leveraged. Leverage magnifies the exposure of the Fund to be greater than the underlying investments and can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested or the premium received from selling (writing) put and call options.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Charges from capital: The Fund's fees and expenses may be taken from its capital (rather than income). This will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class A Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	174.43	169.07	134.39	123.85	124.51	102.40
Return before operating charges**^	13.76	7.50	36.60	9.67	5.54	27.37
Operating charges	(1.09)	(2.14)	(1.92)	(0.77)	(1.55)	(1.44)
Return after operating charges*	12.67	5.36	34.68	8.90	3.99	25.93
Distributions	(3.85)	(6.37)	(5.07)	(2.72)	(4.65)	(3.82)
Retained distributions on accumulation shares	3.85	6.37	5.07	–	–	–
Closing net asset value per share	187.10	174.43	169.07	130.03	123.85	124.51
^ after direct transaction costs of:	0.12	0.26	0.28	0.08	0.19	0.21
Performance						
Return after operating charges*	7.26%	3.17%	25.81%	7.19%	3.20%	25.32%
Other information						
Closing net asset value (£'000's)	18,203	18,744	18,778	4,417	4,346	5,399
Closing number of shares	9,729,073	10,746,154	11,106,348	3,396,816	3,508,865	4,335,798
Operating charges**	1.21%	1.22%	1.26%	1.21%	1.22%	1.26%
Direct transaction costs***	0.07%	0.15%	0.18%	0.07%	0.15%	0.18%
Prices						
Highest share price	189.50	184.50	169.30	132.60	131.80	125.30
Lowest share price	164.50	167.20	133.50	116.90	121.40	101.70
	Share Class X Accumulation			Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	188.58	182.33	144.52	137.99	138.32	113.42
Return before operating charges**^	14.89	8.09	39.41	10.78	6.15	30.35
Operating charges	(0.93)	(1.84)	(1.60)	(0.68)	(1.37)	(1.23)
Return after operating charges*	13.96	6.25	37.81	10.10	4.78	29.12
Distributions	(3.67)	(6.84)	(5.44)	(3.04)	(5.11)	(4.22)
Retained distributions on accumulation shares	3.67	6.84	5.44	–	–	–
Closing net asset value per share	202.54	188.58	182.33	145.05	137.99	138.32
^ after direct transaction costs of:	0.13	0.28	0.30	0.09	0.21	0.23
Performance						
Return after operating charges*	7.40%	3.43%	26.16%	7.32%	3.46%	25.68%
Other information						
Closing net asset value (£'000's)	45,355	44,413	40,928	51,415	49,463	43,190
Closing number of shares	22,393,484	23,551,110	22,446,526	35,445,270	35,845,336	31,225,741
Operating charges**	0.96%	0.97%	0.97%	0.96%	0.97%	0.97%
Direct transaction costs***	0.07%	0.15%	0.18%	0.07%	0.15%	0.18%
Prices						
Highest share price	205.20	199.40	182.50	147.90	146.80	139.20
Lowest share price	177.90	180.40	143.70	130.30	135.30	112.80

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Performance Record (unaudited) (continued)

As at 31 August 2018

	Share Class I Income ¹		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share			
Opening net asset value per share	100.90	100.80	100.00
Return before operating charges**^	7.90	4.48	1.08
Operating charges	(0.32)	(0.64)	(0.25)
Return after operating charges*	7.58	3.84	0.83
Distributions	(2.21)	(3.74)	(0.03)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	106.27	100.90	100.80
^ after direct transaction costs of:	0.07	0.15	0.07
Performance			
Return after operating charges*	7.51%	3.81%	0.83%
Other information			
Closing net asset value (£'000's)	47,209	42,539	33,719
Closing number of shares	44,424,060	42,158,180	33,449,942
Operating charges**	0.61%	0.62%	0.62%
Direct transaction costs***	0.07%	0.15%	0.18%
Prices			
Highest share price	108.30	107.30	101.00
Lowest share price	95.31	98.88	99.84

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

¹ Launched 31 January 2017.

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		8,590		3,812
Revenue	4,035		3,643	
Expenses	(736)		(695)	
Net revenue before taxation	3,299		2,948	
Taxation	(265)		(240)	
Net revenue after taxation		3,034		2,708
Total return before distributions		11,624		6,520
Distributions		(3,484)		(3,398)
Change in net assets attributable to shareholders from investment activities		8,140		3,122

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		159,505		142,014
Amounts receivable on issue of shares	4,725		15,454	
Amounts payable on cancellation of shares	(7,105)		(3,185)	
		(2,380)		12,269
Change in net assets attributable to shareholders from investment activities		8,140		3,122
Retained distributions on accumulation shares		1,333		1,407
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		166,599		158,813

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	<u>31.08.18</u> £'000	<u>28.02.18</u> £'000
Assets:		
Fixed assets:		
Investments	159,838	154,422
Current assets:		
Debtors	636	3,031
Cash and bank balances	<u>7,320</u>	<u>3,146</u>
Total assets	<u>167,794</u>	<u>160,599</u>
Liabilities:		
Investment liabilities	(150)	(269)
Creditors		
Bank overdrafts	(2)	–
Distribution payable	(682)	(554)
Other creditors	<u>(361)</u>	<u>(271)</u>
Total liabilities	<u>(1,195)</u>	<u>(1,094)</u>
Net assets attributable to shareholders	<u>166,599</u>	<u>159,505</u>

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	2.6184	–	2.6184	2.3243
Group 2	1.5784	1.0400	2.6184	2.3243

Class A Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.8612	–	1.8612	1.7113
Group 2	1.2090	0.6522	1.8612	1.7113

Class X Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	2.8340	–	2.8340	2.5077
Group 2	0.8266	2.0074	2.8340	2.5077

Class X Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	2.0752	–	2.0752	1.9026
Group 2	0.5553	1.5199	2.0752	1.9026

Class I Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5122	–	1.5122	1.3867
Group 2	0.8373	0.6749	1.5122	1.3867

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Second Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.2300	–	1.2300	1.6705
Group 2	0.9150	0.3150	1.2300	1.6705

Class A Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.8600	–	0.8600	1.2360
Group 2	0.2066	0.6534	0.8600	1.2360

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.3400	–	1.3400	1.7691
Group 2	0.9447	0.3953	1.3400	1.7691

Class X Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.9634	–	0.9634	1.3108
Group 2	0.3530	0.6104	0.9634	1.3108

Class I Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.7000	–	0.7000	0.9692
Group 2	0.3306	0.3694	0.7000	0.9692

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Martin Currie Japan Alpha Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£99.7m
Sector	Japan
Fund Launch	16 January 2006

Investment Objective and Policy

The objective of the Fund is to achieve capital growth, through investment in Japan. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of large and medium sized companies domiciled in or having their principal activities in Japan. The Fund will invest principally in equity securities but may also invest in other transferable securities, money market instruments, deposits and collective investment schemes. The Fund may, from time to time, and at the investment manager's discretion, be invested in a lesser number of stocks than is typical of an equity fund. This may result in a high percentage of cash being held in the Fund while investment decisions are made as to

the portfolio selection or because of short term trading imbalances. This could have an impact on the performance of the Fund. The Fund will invest in a concentrated portfolio (typically 40-60 holdings).

Legg Mason IF Martin Currie Japan Alpha Fund

The Legg Mason IF Martin Currie Japan Alpha Fund increased by 1.18% in sterling terms during the period under review, while its index, the Topix (with dividend), rose in sterling terms by 1.27%.

Q. What were the leading contributors to performance during the reporting period?

A. In sector terms, Consumer Discretionary fared the best in the portfolio. At a stock level, online fashion retailer Start Today was the top performer. Car maker Suzuki Motor and multinational conglomerate Sony were also strong performers.

Q. What were the leading detractors from performance during the reporting period?

A. The Industrials sector was the worst performer at a portfolio level. In stock terms, materials firm Sumitomo Metal Mining weighed the most on returns. Chemicals company Kansai Paint and electronics and electrical-equipment manufacturer Mitsubishi Electric were also notable detractors.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to the Consumer Discretionary and Industrials sectors. Purchases over the period included Sony Corporation, banking name Sumitomo Mitsui Financial Group and Sumitomo Metal Mining Company. Sales included construction-equipment manufacturer Komatsu, lighting-equipment maker Koito and electronics giant Panasonic.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Sony	3,122	Komatsu	3,512
Sumitomo Mitsui Financial	2,906	Nitori	2,577
Sumitomo Metal Mining	2,747	Koito Manufacturing	2,563
Japan Petroleum Exploration	2,006	Panasonic	2,530
Tokyo Broadcasting System	1,982	Sumitomo Electric Industries	2,462
Kurita Water Industries	1,719	KDDI	2,436
Koa	1,687	Mitsubishi UFJ Financial	2,432
Kao	1,474	Kubota	2,284
Iriso Electronics	1,465	Sundrug	2,071
Yumeshin	1,433	Daikin Industries	1,346
Nippo	1,237	Daiva House Industry	961
Sumitomo Bakelite	1,216	Mitsubishi Electric	945
Fujitsu General	1,032	Jafco	853
Disco	971	Japan Steel Works	793
Kanto Denka Kogyo	963	Canon	584
Hirano Tecseed	828	Sosei	498
Lasertec	750	Lixil	394
Japan Post	668	Lasertec	392
Resona	560	Japan Hotel	374
Toshiba Plant Systems & Services	548	Koa	234
Other purchases	734	Other sales	181
Total purchases for the period	30,048	Total sales for the period	30,422

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Risk and Reward Profile – Classes A and X Accumulation



Risk and Reward Profile – Class X Accumulation (Hedged)



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other funds) in shares of small cap Japanese companies from various sectors have historically been subject to large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in Japan, which means that it is more sensitive to local economic, market, political or regulatory events in Japan, and will be more affected by these events than other Funds that invest in a broader range of regions.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Hedged class currency: The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the Fund's investment strategy and the currency of your share class, pound sterling. The Fund manager will try to protect the value of your investment against such changes, but it may not succeed.

Derivatives: The use of derivatives can result in greater fluctuations of the share classes value and may cause the share class to lose as much as or more than the amount invested in the derivatives.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	166.26	144.27	105.10	178.56	154.55	112.28
Return before operating charges**	2.74	23.82	40.74	2.95	25.56	43.57
Operating charges	(1.00)	(1.83)	(1.57)	(0.85)	(1.55)	(1.30)
Return after operating charges*	1.74	21.99	39.17	2.10	24.01	42.27
Distributions	(0.62)	(0.82)	(0.71)	(0.89)	(1.30)	(1.15)
Retained distributions on accumulation shares	0.62	0.82	0.71	0.89	1.30	1.15
Closing net asset value per share	168.00	166.26	144.27	180.66	178.56	154.55
^ after direct transaction costs of:	0.05	0.11	0.18	0.06	0.12	0.19
Performance						
Return after operating charges*	1.05%	15.24%	37.27%	1.18%	15.54%	37.65%
Other information						
Closing net asset value (£'000's)	7,672	7,711	7,787	74,833	73,948	63,088
Closing number of shares	4,566,830	4,637,978	5,397,497	41,422,453	41,414,438	40,820,044
Operating charges**	1.20%	1.18%	1.25%	0.95%	0.93%	0.95%
Direct transaction costs***	0.03%	0.07%	0.14%	0.03%	0.07%	0.14%
Prices						
Highest share price	170.20	177.20	146.60	182.90	190.30	156.90
Lowest share price	156.10	140.40	105.40	167.70	150.40	112.50
Change in net assets per Share	Share Class X Accumulation (hedged)					
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)			
Opening net asset value per share	222.54	182.00	150.69			
Return before operating charges**	(2.36)	42.72	33.06			
Operating charges	(1.16)	(2.18)	(1.75)			
Return after operating charges*	(3.52)	40.54	31.31			
Distributions	(1.01)	(1.37)	(1.28)			
Retained distributions on accumulation shares	1.01	1.37	1.28			
Closing net asset value per share	219.02	222.54	182.00			
^ after direct transaction costs of:	0.07	0.16	0.24			
Performance						
Return after operating charges*	(1.58)%	22.27%	20.78%			
Other information						
Closing net asset value (£'000's)	17,203	16,858	6,937			
Closing number of shares	7,854,160	7,575,038	3,811,285			
Operating charges**	1.05%	1.03%	1.05%			
Direct transaction costs***	0.03%	0.07%	0.14%			
Prices						
Highest share price	229.40	242.80	185.70			
Lowest share price	210.60	175.40	146.00			

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		184		4,567
Revenue	1,047		823	
Expenses	(477)		(366)	
Net revenue before taxation	570		457	
Taxation	(100)		(85)	
Net revenue after taxation		470		372
Total return before distributions		654		4,939
Distributions		(470)		(373)
Change in net assets attributable to shareholders from investment activities		184		4,566

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		98,517		77,824
Amounts receivable on issue of shares	2,510		407	
Amounts payable on cancellation of shares	(1,977)		(5,508)	
		533		(5,101)
Change in net assets attributable to shareholders from investment activities		184		4,566
Retained distributions on accumulation shares		474		343
Closing net assets attributable to shareholders		99,708		77,632

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18	28.02.18
	£'000	£'000
Assets:		
Fixed assets:		
Investments	98,803	98,305
Current assets:		
Debtors	61	283
Cash and bank balances	955	190
Total assets	<u>99,819</u>	<u>98,778</u>
Liabilities:		
Investment liabilities	–	(105)
Creditors		
Other creditors	(111)	(156)
Total liabilities	<u>(111)</u>	<u>(261)</u>
Net assets attributable to shareholders	<u>99,708</u>	<u>98,517</u>

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 August 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.6162	–	0.6162	0.5148
Group 2	0.2041	0.4121	0.6162	0.5148

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	0.8857	–	0.8857	0.7524
Group 2	–	0.8857	0.8857	0.7524

Class X Accumulation (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.0074	–	1.0074	0.7688
Group 2	–	1.0074	1.0074	0.7688

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Martin Currie North American Fund

General Information

Investment Manager	Martin Currie Investment Management
Fund Size	£132.3m
Sector	North America
Fund Launch	01 September 1983

Investment Objective and Policy

The objective of the Fund is to achieve capital growth through investment in the United States of America and Canada. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in securities of companies domiciled or having their principal activities in the United States of America and Canada. The Fund will invest principally in equity securities but it may also invest in units in other transferable securities, money market instruments, deposits and collective investment schemes. The Fund will usually invest in a concentrated portfolio (typically around 40 holdings).

Legg Mason IF Martin Currie North American Fund

The Legg Mason IF Martin Currie North American Fund increased by **14.66%** in sterling terms during the period under review, while its index, the MSCI North America Index (Net) (GBP), rose in sterling terms by **14.11%**.

Q. What were the leading contributors to performance during the reporting period?

A. In sector terms, the Information Technology ("IT") stocks fared the best in the portfolio. At a stock level, HCA Holdings, an operator of healthcare facilities, was the top performer. EPAM Systems, a global provider of software engineering, and ADP, which produces human-resources management software, were also strong performers.

Q. What were the leading detractors from performance during the reporting period?

A. The Consumer Staples and Industrials sectors were the worst performers at a portfolio level. In stock terms, financial Bank OZK weighed the most on returns. Tobacco manufacturer Philip Morris and computer games firm Electronic Arts were also notable detractors.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. At the end of the reporting period, the portfolio's largest absolute weights were to IT and Health Care sector. Purchases over the period included Electronic Arts, Agilent Technologies, which makes analytical laboratory instruments, and Mettler Toledo, a manufacturer of measurement & precision instruments. We sold Danaher, a conglomerate making products for environmental, life sciences, dental, and industrial technologies, Aptiv & Delphi Technologies (which were formed by Delphi Automotive when it split into two at the end of 2017) and Anadarko Petroleum.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Electronic Arts	3,351	Danaher	3,152
Agilent Technologies	3,130	Aptiv	3,079
Mettler-Toledo International	1,886	Hexcel	1,769
Cognizant Technology Solutions	1,754	Constellation Software	1,638
Automatic Data Processing	929	Semptra Energy	1,397
WEC Energy	679	Andarako Petroleum	1,176
UnitedHealth	631	NIKE	1,171
Blackstone	561	Visa	1,120
Pioneer Natural Resources	459	Ecolab	1,070
EOG Resources	282	Amazon.com	1,010
		Alphabeta	939
		Apple	811
		Alphabet	669
		Chevron	646
		Fiserv	626
		Estee Lauder	521
		Delphi	481
		EPAM Systems	316
		HCA	292
		Procter & Gamble	273
Other purchases	–	Other sales	209
Total purchases for the period	13,662	Total sales for the period	22,365

Legg Mason IF Martin Currie North American Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than many other Funds) in shares of North American companies across various sectors has historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in North America, which means that it is more sensitive to local economic, market, political or regulatory events in North America, and will be more affected by these events than other Funds that invest in a broader range of regions.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Concentrated Fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Martin Currie North American Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	370.08	345.30	260.43	412.45	383.89	288.67
Return before operating charges**	56.10	28.99	88.57	62.58	32.28	98.35
Operating charges	(2.30)	(4.21)	(3.70)	(2.02)	(3.72)	(3.13)
Return after operating charges*	53.80	24.78	84.87	60.56	28.56	95.22
Distributions	–	(1.15)	(1.43)	–	(2.25)	(2.55)
Retained distributions on accumulation shares	–	1.15	1.43	–	2.25	2.55
Closing net asset value per share	423.88	370.08	345.30	473.01	412.45	383.89
^ after direct transaction costs of:	0.04	0.46	0.22	0.04	0.51	0.24
Performance						
Return after operating charges*	14.54%	7.18%	32.59%	14.68%	7.44%	32.99%
Other information						
Closing net asset value (£'000's)	25,431	23,964	33,123	106,458	99,313	120,616
Closing number of shares	5,999,468	6,475,268	9,592,411	22,506,574	24,078,638	31,419,657
Operating charges**	1.18%	1.20%	1.25%	0.93%	0.95%	0.95%
Direct transaction costs***	0.01%	0.13%	0.07%	0.01%	0.13%	0.07%
Prices						
Highest share price	427.10	373.80	345.50	476.60	416.50	384.10
Lowest share price	348.10	327.40	254.00	388.00	364.10	281.90
	Share Class X Accumulation (hedged)					
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)			
Change in net assets per Share						
Opening net asset value per share	255.24	216.84	183.66			
Return before operating charges**	18.99	40.83	35.27			
Operating charges	(1.34)	(2.43)	(2.09)			
Return after operating charges*	17.65	38.40	33.18			
Distributions	–	(1.10)	(1.39)			
Retained distributions on accumulation shares	–	1.10	1.39			
Closing net asset value per share	272.89	255.24	216.84			
^ after direct transaction costs of:	0.02	0.30	0.15			
Return after operating charges*	6.92%	17.71%	18.07%			
Other information						
Closing net asset value (£'000's)	386	371	339			
Closing number of shares	141,629	145,545	156,431			
Operating charges**	1.03%	1.05%	1.05%			
Direct transaction costs***	0.01%	0.13%	0.07%			
Prices						
Highest share price	273.90	262.00	216.90			
Lowest share price	243.30	214.00	183.00			

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Martin Currie North American Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		16,931		1,486
Revenue	983		1,312	
Expenses	(618)		(692)	
Net revenue before taxation	365		620	
Taxation	(129)		(168)	
Net revenue after taxation		236		452
Total return before distributions		17,167		1,938
Distributions		(5)		(38)
Change in net assets attributable to shareholders from investment activities		17,162		1,900

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		123,648		154,078
Amounts receivable on issue of shares	3,706		5,604	
Amounts payable on cancellation of shares	(12,241)		(32,206)	
		(8,535)		(26,602)
Change in net assets attributable to shareholders from investment activities		17,162		1,900
Closing net assets attributable to shareholders		132,275		129,376

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Martin Currie North American Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	130,827	122,578
Current assets:		
Debtors	159	398
Cash and bank balances	<u>1,529</u>	<u>981</u>
Total assets	<u>132,515</u>	<u>123,957</u>
Liabilities:		
Investment liabilities	–	(3)
Creditors		
Other creditors	<u>(240)</u>	<u>(306)</u>
Total liabilities	<u>(240)</u>	<u>(309)</u>
Net assets attributable to shareholders	<u>132,275</u>	<u>123,648</u>

Legg Mason IF QS Emerging Markets Equity Fund

General Information

Investment	
Manager	QS Investors LLC
Fund Size	£0.0m
Sector	Global Emerging Markets
Fund Launch	16 February 2004

On 9th March 2018, shareholders in the Legg Mason IF QS Emerging Markets Equity Fund were notified of the intention to terminate the Fund. Legg Mason Investment Funds Limited (as ACD of the Fund) decided that the Fund had no long-term future and approved its termination subject to approval by the Financial Conduct Authority. The Fund was closed with effect from 23 April 2018.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Magnit GDR	10	Telekomunikasi Indonesia	47
Bharti Airtel	3	Astra International	43
Idea Cellular	1	Bidvest	42
		China Mobile	39
		Advanced Info Service Foreign Shares	35
		Petronas Chemicals	34
		Naspers	32
		OTP Bank	30
		America Movil	29
		Tencent	29
		MOL Hungarian Oil and Gas	29
		Magnit GDR	28
		Korea Electric Power	28
		Mobile TeleSystems ADR	27
		Tenaga Nasional	25
		SACI Falabella	24
		MTN	24
		Commercial Bank ADR	23
		Bank Central Asia	23
		Sberbank ADR	22
Other purchases	–	Other sales	2,676
Total purchases for the period	14	Total sales for the period	3,289

Stocks shown as ADRs and GDRs represent American Depositary Receipts and Global Depositary Receipts.

Legg Mason IF QS Emerging Markets Equity Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	303.53	276.52	213.27	131.66	119.29	91.45
Return before operating charges**^	(13.88)	33.69	69.74	(6.02)	14.57	29.98
Operating charges	(0.98)	(6.68)	(6.49)	(0.33)	(2.20)	(2.14)
Return after operating charges*	(14.86)	27.01	63.25	(6.35)	12.37	27.84
Distributions	–	(2.01)	(1.16)	–	(1.51)	(0.92)
Retained distributions on accumulation shares	–	2.01	1.16	–	1.51	0.92
Closing net asset value per share (p)	288.67 [#]	303.53	276.52	125.31 [#]	131.66	119.29
^ after direct transaction costs of:	0.56	0.21	0.71	0.24	0.09	0.31
Performance						
Return after operating charges*	(4.90)% [#]	9.77%	29.66%	(4.82)% [#]	10.37%	30.44%
Other information						
Closing net asset value (£'000's)	–	726	733	–	2,772	2,581
Closing number of shares	–	239,038	265,148	–	2,105,336	2,163,197
Operating charges**	2.24%	2.27%	2.59%	1.75%	1.73%	1.95%
Direct transaction costs***	0.19%	0.07%	0.28%	0.19%	0.07%	0.28%
Prices						
Highest share price	315.40	315.40	284.10	136.70	136.70	122.20
Lowest share price	285.30	275.80	215.30	123.80	119.10	92.41

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting year.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting year.

[#] The Fund closed on 23 April 2018. The closing net asset value per share and return after operating charges figures shown above are calculated to the closure date.

Legg Mason IF QS Emerging Markets Equity Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(177)		287
Revenue	20		68	
Expenses	(5)		(22)	
Net revenue before taxation	15		46	
Taxation	(2)		(8)	
Net revenue after taxation		13		38
Total return before distributions		(164)		325
Distributions		(12)		–
Change in net assets attributable to shareholders from investment activities		(176)		325

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		3,498		3,319
Amounts receivable on issue of shares	1		28	
Amounts payable on cancellation of shares	(3,323)		(110)	
		(3,322)		(82)
Change in net assets attributable to shareholders from investment activities		(176)		325
Closing net assets attributable to shareholders		–		3,562

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

The Fund closed on 23 April 2018.

Legg Mason IF QS Emerging Markets Equity Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18	28.02.18
	£'000	£'000
Assets:		
Fixed assets:		
Investments	–	3,473
Current assets:		
Debtors	3	6
Cash and bank balances	17	35
Total assets	<u>20</u>	<u>3,514</u>
Liabilities:		
Creditors		
Other creditors	(20)	(16)
Total liabilities	<u>(20)</u>	<u>(16)</u>
Net assets attributable to shareholders	<u><u>–</u></u>	<u><u>3,498</u></u>

Legg Mason IF QS UK Equity Fund

General Information

Investment	
Manager	QS Investors LLC
Fund Size	£33.8m
Sector	UK All Companies
Fund Launch	31 October 1995

Investment Objective and Policy

The objective of this Fund is to achieve capital growth through investment in quoted securities of UK companies. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in dividend paying stocks issued by large and mid-cap UK company shares listed on the London Stock Exchange and being constituents of the FTSE All Share Index. The Fund may also invest in other investments as permitted by the FCA Rules as applicable from time to time, which may include collective investment schemes (up to a maximum of 10% of the net asset value of the Fund). The Fund may also use derivatives for efficient portfolio management as explained in the Prospectus.

Legg Mason IF QS UK Equity Fund

The Legg Mason IF QS UK Equity Fund increased 6.14% in sterling terms over the period under review while its index, the FTSE All-Share Index, rose in sterling terms by 5.59%.

For the six months ended 31 August 2018, the portfolio outperformed the FTSE All Share Index (FTSE Index), and achieved its investment objective of offering attractive yields and lower volatility than the FTSE Index.

Stock selection benefited the Fund for the six-month period across most sectors, chiefly in Consumer Staples, Information Technology, and Telecommunication Services. Selection was materially weak only in Consumer Discretionary. In addition, sector allocation benefited the portfolio.

Q. What were the leading contributors to performance during the reporting period?

A. Stock selection benefited the Fund for the six-month period across most sectors, chiefly in Consumer Staples, Information Technology, and Telecommunication Services. In addition, sector allocation benefited the portfolio. The Fund was overweight Utilities and Industrials, and underweight Telecommunication Services, the weakest performing sector.

Q. What were the leading detractors from performance during the reporting period?

A. Selection was materially weak only in the Consumer Discretionary sector. Underweights in Health Care and Energy were the only notable detractors from a sector allocation perspective.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. There were no significant changes to the portfolio over the six-month reporting period. The most notable changes included increasing the overweight in Financials ex-Banks, reducing the overweight in Utilities, and increasing the underweight in Health Care. Portfolio beta to the FTSE Index as of August 2018 month end was 0.66, and current yield was 5.3%, higher than the 4.3% current yield of the FTSE Index. The portfolio was most overweight in Utilities and Consumer Discretionary and most underweight in Health Care.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Galliford Try	37	Telecom Plus Booker Severn Trent IG National Express DS Smith	220 218 172 124 85 58
Total purchases for the period	37	Total sales for the period	877

Legg Mason IF QS UK Equity Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in shares of UK companies from various sectors have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in the United Kingdom, which means that it is more sensitive to local economic, market, political or regulatory events in the United Kingdom, and will be more affected by these events than other Funds that invest in a broader range of regions.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF QS UK Equity Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class X Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	322.12	322.75	303.88	141.53	141.45	132.79
Return before operating charges**^	21.89	4.14	23.53	9.62	1.81	10.29
Operating charges	(2.41)	(4.77)	(4.66)	(0.87)	(1.73)	(1.63)
Return after operating charges*	19.48	(0.63)	18.87	8.75	0.08	8.66
Distributions	–	(10.44)	(10.12)	–	(4.95)	(4.83)
Retained distributions on accumulation shares	–	10.44	10.12	–	4.95	4.83
Closing net asset value per share	341.60	322.12	322.75	150.28	141.53	141.45
^ after direct transaction costs of:	0.00	0.27	0.29	0.00	0.12	0.13
Performance						
Return after operating charges*	6.05%	(0.20)%	6.21%	6.18%	0.06%	6.52%
Other information						
Closing net asset value (£'000's)	27,621	27,235	30,255	6,168	6,100	6,786
Closing number of shares	8,085,737	8,454,968	9,373,980	4,104,177	4,309,757	4,797,640
Operating charges**	1.41%	1.44%	1.50%	1.16%	1.19%	1.19%
Direct transaction costs***	0.00%	0.08%	0.09%	0.00%	0.08%	0.09%
Prices						
Highest share price	355.10	344.10	329.30	156.10	151.20	144.20
Lowest share price	311.90	315.20	278.60	137.00	138.50	121.90

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF QS UK Equity Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,134		647
Revenue	1,120		1,025	
Expenses	(235)		(260)	
Net revenue before taxation	885		765	
Taxation	(3)		(1)	
Net revenue after taxation		882		764
Total return before distributions		2,016		1,411
Distributions		(21)		(17)
Change in net assets attributable to shareholders from investment activities		1,995		1,394

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		33,335		37,086
Amounts receivable on issue of shares	27		307	
Amounts payable on cancellation of shares	(1,568)		(2,250)	
		(1,541)		(1,943)
Change in net assets attributable to shareholders from investment activities		1,995		1,394
Closing net assets attributable to shareholders		33,789		36,537

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF QS UK Equity Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	33,516	33,222
Current assets:		
Debtors	271	158
Cash and bank balances	127	26
Total assets	<u>33,914</u>	<u>33,406</u>
Liabilities:		
Creditors		
Other creditors	(125)	(71)
Total liabilities	<u>(125)</u>	<u>(71)</u>
Net assets attributable to shareholders	<u>33,789</u>	<u>33,335</u>

Legg Mason IF RARE Global Infrastructure Income Fund

General Information

Investment	RARE Infrastructure
Manager	Limited
Fund Size	£381.1m
Sector	Global Infrastructure
	Income
Fund Launch	01 July 2016

Investment Objective and Policy

To provide investors with an income comprised of dividends with a secondary investment objective of long-term capital growth. The Fund seeks to achieve its objective by investing primarily in a diverse range of global listed infrastructure securities across a number of infrastructure sub-sectors such as gas, electricity and water utilities, toll-roads, airports, rail and communication infrastructure and across different geographic regions, under normal market conditions. The investments of the Fund will primarily include securities listed on stock exchanges of developed countries. However, in order to ensure that the Investment Manager retains full flexibility to seek exposure to infrastructure securities on a global basis,

investors should note that up to 20% of the Fund's net asset value may be invested in securities (including depositary receipts) of developing countries in circumstances where such markets present opportunities consistent with the Fund's investment objective. The Fund may also invest in recently issued securities not yet listed on a securities exchange but that are expected to be listed within 12 months of purchase and derivative instruments up to a maximum of 10% of the Fund's net asset value. Although it is intended that the Fund will normally be invested in accordance with the limits set out above, the Investment Manager may decide that, due to market conditions and in the interests of the Fund and its shareholders, it would be appropriate to hold more or less, or perhaps even significantly more or less than this where it is in the interests of the Fund and its shareholders to do so and where such action is consistent with the Fund's investment objective. Derivatives and forward transactions may be used by the Fund for investment purposes and for the purposes of efficient portfolio management (including hedging).

Legg Mason IF RARE Global Infrastructure Income Fund

The Legg Mason IF RARE Global Infrastructure Income Fund increased by 9.34% in sterling terms during the period under review.

Q. What were the leading contributors to performance during the reporting period?

A. On a regional basis, USA & Canada was the top contributor to monthly performance (+4.55%) of which US electric NRG Yield (+0.88%) and Canadian gas Enbridge (+0.83%) were the lead performers.

NRG Yield (NYLD) is a US Yield Co which own and operate contracted renewable and conventional generation and thermal infrastructure assets. In February, NYLD announced that Global Infrastructure Partners (GIP) had acquired full ownership interest in NYLD. In August NYLD reported Q2 results above consensus expectations. Further with the GIP and NYLD deal nearing close, the market is turning more optimistic on NYLD's outlook under a new capital rich parent with international scale across renewables.

Enbridge's (ENB) core business is owning and operating one of the largest oil and gas pipeline networks in North America. The company also owns regulated gas distribution utilities in Ontario, and a fast-growing portfolio of renewable power assets in North America and Europe. The share price of ENB rallied significantly during the period under review for the following reasons:

- 1) In May ENB announced plans to simplify their corporate structure. In effect this could see all of the company's core liquid and gas pipeline assets come under the umbrella of one single listed entity. The market reacted positively to this announcement.
- 2) In May ENB also announced a \$3.2 billion asset sale in an effort to address leverage concerns.
- 3) Lastly, in June, the Minnesota Public Utilities Commission approved the Line 3 oil pipeline replacement project. While this is subject to a number of approvals, this announcement provided a boost to the share price of the stock.

Q. What were the leading detractors from performance during the reporting period?

A. Italian diversified infrastructure company Atlantia (ATL) was the largest detractor from performance (-1.27%). The collapse of the Polcevera road bridge in Genoa on 14 August focused the market's attention on Autostrade per l'Italia (ASPI), ATL's core Italian toll road asset. The press has been reporting on the wide-ranging measures that various politicians within the new coalition Government have put forward. These include rescinding the concession without compensation, to the more benign continuation of ASPI's current concession, but with greater oversight on investment from a more hands-on independent regulator and compensation for families and the Genoa community as well as funds for the bridge reconstruction. The Investment Committee is closely monitoring this event and engaging with key stakeholders to determine the valuation impact.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. On a regional level, the Fund's largest exposure is in USA & Canada and consists of exposure to utilities (36%) and economically sensitive sectors (3%). We have increased our conviction in North American pipelines as the valuations have been very attractive. Additionally, US Utilities continued to show signs of value and, as such, during the course of the year, the Investment Committee slowly increased the Strategy's exposure to this sub-sector.

For the Legg Mason IF RARE Global Infrastructure Income Fund, the primary quantitative tool in portfolio construction is the Excess Return, on which RARE's stock ranking system is based. As such, driven by valuation, the key shift in the composition of the Legg Mason IF RARE Global Infrastructure Income Fund, during the period of analysis, include:

1. Decreased exposure to Western Europe from 39% to 31%. We exited Spanish gas operator Gas Natural Fenosa and European satellite operator SES S.A.
2. Increased exposure to North America from 29% to 38%. Specifically, we:
 - Increased our exposure to North American electric sector from 11% to 19% as this sector continued to show signs of value. We initiated positions in Dominion Energy, Edison International, TerraForm, Duke Energy and Emera.
 - Increased our conviction in North American pipelines as the valuations have been very attractive. In particular, we increased our position in Williams Company and Enbridge.

Looking ahead, the manager continues to believe that it is prudent to retain a core exposure to more defensive, higher income utility companies, balanced against selected exposure to infrastructure, which is more sensitive to economic growth.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Summary of Significant Changes

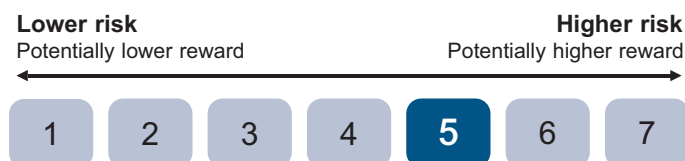
For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Emera	13,989	SES	16,999
China Merchants Port	11,283	Cia Energetica Preference Shares	11,828
Enbridge	9,334	Gas Natural	10,883
Crown Castle International*	9,146	Enagas	8,483
Edison International	7,736	Nextera Energy Partners	8,207
Atlantia	6,788	Guangdong Investment	7,940
TerraForm Power	6,757	AltaGas	7,678
Dominion Energy	5,874	Iberdrola	7,544
Williams	5,701	NRG Yield	5,366
United Utilities	4,465	Gibson Energy	4,759
Transurban	4,224	Jiangsu Expressway	3,796
Snam	3,764	Cia de Transmissao de Energia Eletrica Paulista Preference Shares	2,881
Duke Energy	1,716	Spark Infrastructure	2,752
Spark Infrastructure	954	Enbridge	2,744
Transmissora Alianca De Energia Eletrica	765	Transmissora Alianca De Energia Eletrica	2,316
National Grid	688	Atlantia	2,108
Iberdrola	649	Pattern Energy	2,018
Pattern Energy	575	SSE	1,850
SSE	539	Williams	1,646
Enagas	537	United Utilities	1,483
Other purchases	6,419	Other sales	16,835
Total purchases for the period	101,903	Total sales for the period	130,116

* Real Estate Investment Trust.

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because a concentrated investment (the Fund holds fewer investments than any other Funds) in shares of infrastructure companies from various countries and sectors have historically been subject to relatively large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Investment in infrastructure: The Fund invests in shares of infrastructure companies, and the value of these shares can be negatively affected by economic or regulatory occurrences affecting their industries. Investments in new infrastructure projects carry risks where they may not be completed within the budget, agreed timeframe or specifications. Operational and supply disruptions can also have a negative effect on the value of the company's shares.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Concentrated fund: The Fund invests in fewer companies than other Funds which invest in shares usually do. This means that the Fund does not spread its risk as widely as other Funds and will therefore be affected more if an individual company has significant losses.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Hedged class currency: The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the Fund's investment strategy and the currency of your share class, pound sterling. The Fund manager will try to protect the value of your investment against such changes, but it may not succeed.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Charges from capital: The Fund's fees and expenses may be taken from its capital (rather than income). This will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

	Share Class A Accumulation			Share Class A Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	102.19	106.92	100.00	96.07	104.96	100.00
Return before operating charges**^	10.17	(3.35)	7.76	9.45	(2.88)	7.68
Operating charges	(0.66)	(1.38)	(0.84)	(0.61)	(1.35)	(0.83)
Return after operating charges*	9.51	(4.73)	6.92	8.84	(4.23)	6.85
Distributions	(3.50)	(4.81)	(1.89)	(3.27)	(4.66)	(1.89)
Retained distributions on accumulation shares	3.50	4.81	1.89	–	–	–
Closing net asset value per share	111.70	102.19	106.92	101.64	96.07	104.96
^ after direct transaction costs of:	0.06	0.35	0.29	0.05	0.34	0.28
Performance						
Return after operating charges*	9.31%	(4.42)%	6.92%	9.21%	(4.03)%	6.85%
Other information						
Closing net asset value (£'000's)	61,335	60,976	37,900	107	46	108
Closing number of shares	54,908,927	59,671,309	35,447,554	105,170	47,524	102,683
Operating charges**	1.23%	1.23%	1.24%	1.23%	1.23%	1.26%
Direct transaction costs***	0.05%	0.31%	0.28%	0.05%	0.31%	0.28%
Prices						
Highest share price	115.00	120.40	107.30	106.50	116.60	105.90
Lowest share price	97.57	98.92	93.77	91.72	93.89	93.29
	Share Class S Accumulation			Share Class S Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per Share						
Opening net asset value per share	103.32	107.34	100.00	98.53	99.12	100.00
Return before operating charges**^	10.31	(3.42)	7.71	8.32	0.08	(0.53)
Operating charges	(0.29)	(0.60)	(0.37)	(0.32)	(0.67)	(0.35)
Return after operating charges*	10.02	(4.02)	7.34	8.00	(0.59)	(0.88)
Distributions	(3.55)	(4.87)	(1.91)	(3.38)	(4.54)	(1.68)
Retained distributions on accumulation shares	3.55	4.87	1.91	3.38	4.54	1.68
Closing net asset value per share	113.34	103.32	107.34	106.53	98.53	99.12
^ after direct transaction costs of:	0.06	0.35	0.29	0.05	0.33	0.26
Performance						
Return after operating charges*	9.70%	(3.75)%	7.34%	8.12%	(0.60)%	(0.88)%
Other information						
Closing net asset value (£'000's)	11,621	13,519	15,046	1,298	1,260	1,416
Closing number of shares	10,253,267	13,084,354	14,016,944	1,218,621	1,279,081	1,428,186
Operating charges**	0.53%	0.53%	0.54%	0.63%	0.63%	0.64%
Direct transaction costs***	0.05%	0.31%	0.28%	0.05%	0.31%	0.28%
Prices						
Highest share price	116.60	121.30	107.80	108.10	110.80	100.00
Lowest share price	98.70	99.99	93.99	95.88	95.41	88.11

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Performance Record (unaudited) (continued)

As at 31 August 2018

Change in net assets per Share	Share Class S Income			Share Class S Income (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	97.08	105.30	100.00	93.04	97.76	100.00
Return before operating charges* [^]	9.58	(2.94)	7.55	7.81	0.34	(0.21)
Operating charges	(0.27)	(0.58)	(0.36)	(0.30)	(0.65)	(0.35)
Return after operating charges*	9.31	(3.52)	7.19	7.51	(0.31)	(0.56)
Distributions	(3.31)	(4.70)	(1.89)	(3.17)	(4.41)	(1.68)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	103.08	97.08	105.30	97.38	93.04	97.76
[^] after direct transaction costs of:	0.05	0.34	0.28	0.05	0.32	0.26
Performance						
Return after operating charges*	9.59%	(3.34)%	7.19%	8.07%	(0.31)%	(0.56)%
Other information						
Closing net asset value (£'000's)	71,876	69,948	84,550	54,599	65,873	64,686
Closing number of shares	69,727,430	72,052,639	80,291,922	56,069,738	70,799,691	66,166,501
Operating charges**	0.53%	0.53%	0.54%	0.63%	0.63%	0.64%
Direct transaction costs***	0.05%	0.31%	0.28%	0.05%	0.31%	0.28%
Prices						
Highest share price	107.90	117.40	106.40	100.60	108.10	100.20
Lowest share price	92.73	94.85	93.55	90.53	90.94	88.21
Change in net assets per Share	Share Class X Accumulation			Share Class X Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	102.64	107.08	100.00	98.87	99.87	100.00
Return before operating charges* [^]	10.23	(3.39)	7.71	8.32	0.09	0.34
Operating charges	(0.50)	(1.05)	(0.63)	(0.53)	(1.09)	(0.47)
Return after operating charges*	9.73	(4.44)	7.08	7.79	(1.00)	(0.13)
Distributions	(3.52)	(4.82)	(1.90)	(3.39)	(4.58)	(1.29)
Retained distributions on accumulation shares	3.52	4.82	1.90	3.39	4.58	1.29
Closing net asset value per share	112.37	102.64	107.08	106.66	98.87	99.87
[^] after direct transaction costs of:	0.06	0.35	0.29	0.05	0.33	0.22
Performance						
Return after operating charges*	9.48%	(4.15)%	7.08%	7.88%	(1.00)%	(0.13)%
Other information						
Closing net asset value (£'000's)	21,051	22,570	10,972	4,473	4,878	3,629
Closing number of shares	18,734,000	21,989,994	10,246,472	4,193,658	4,933,803	3,633,290
Operating charges**	0.93%	0.93%	0.93%	1.03%	1.03%	1.03%
Direct transaction costs***	0.05%	0.31%	0.28%	0.05%	0.31%	0.28%
Prices						
Highest share price	115.60	120.80	107.50	108.20	111.50	100.30
Lowest share price	98.04	99.36	93.89	96.20	95.75	89.06

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Performance Record (unaudited) (continued)

As at 31 August 2018

Change in net assets per Share	Share Class X Income			Share Class X Income (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	96.42	105.01	100.00	93.68	98.85	100.00
Return before operating charges**^	9.50	(2.93)	7.52	7.84	0.35	0.85
Operating charges	(0.46)	(0.99)	(0.62)	(0.50)	(1.06)	(0.50)
Return after operating charges*	9.04	(3.92)	6.90	7.34	(0.71)	0.35
Distributions	(3.28)	(4.67)	(1.89)	(3.18)	(4.46)	(1.50)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	102.18	96.42	105.01	97.84	93.68	98.85
^ after direct transaction costs of:	0.05	0.33	0.28	0.05	0.32	0.23
Performance						
Return after operating charges*	9.38%	(3.73)%	6.90%	7.84%	(0.72)%	0.35%
Other information						
Closing net asset value (£'000's)	147,232	120,976	28,942	7,556	17,236	13,815
Closing number of shares	144,097,516	125,466,271	27,652,207	7,722,285	18,399,999	13,975,318
Operating charges**	0.93%	0.94%	0.93%	1.03%	1.03%	1.03%
Direct transaction costs***	0.05%	0.31%	0.28%	0.05%	0.31%	0.28%
Prices						
Highest share price	107.00	116.90	106.10	101.10	109.20	101.30
Lowest share price	92.08	94.22	93.40	91.14	91.58	89.57

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		22,831		25,804
Revenue	13,107		7,551	
Expenses	(1,618)		(1,242)	
Net revenue before taxation	11,489		6,309	
Taxation	(647)		(506)	
Net revenue after taxation		10,842		5,803
Total return before distributions		33,673		31,607
Distributions		(12,457)		(7,035)
Change in net assets attributable to shareholders from investment activities		21,216		24,572

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		377,282		261,062
Amounts receivable on issue of shares	44,532		89,893	
Amounts payable on cancellation of shares	(65,142)		(14,983)	
		(20,610)		74,910
Change in net assets attributable to shareholders from investment activities		21,216		24,572
Retained distributions on accumulation shares		3,260		2,370
Closing net assets attributable to shareholders		381,148		362,914

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	369,031	372,417
Current assets:		
Debtors	3,392	3,165
Cash and bank balances	14,516	6,437
Total assets	<u>386,939</u>	<u>382,019</u>
Liabilities:		
Investment liabilities	(75)	(318)
Provisions for liabilities	–	(8)
Creditors		
Distribution payable	(4,974)	(2,618)
Other creditors	(742)	(1,793)
Total liabilities	<u>(5,791)</u>	<u>(4,737)</u>
Net assets attributable to shareholders	<u>381,148</u>	<u>377,282</u>

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 May 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5657	–	1.5657	1.4150
Group 2	1.0459	0.5198	1.5657	1.4150

Class A Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.4777	–	1.4777	1.3887
Group 2	0.9683	0.5094	1.4777	1.3887

Class S Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5840	–	1.5840	1.4224
Group 2	1.1494	0.4346	1.5840	1.4224

Class S Accumulation (hedged) Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5204	–	1.5204	1.3429
Group 2	1.5204	0.0000	1.5204	1.3429

Class S Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.4890	–	1.4890	1.3953
Group 2	1.1415	0.3475	1.4890	1.3953

Class S Income (hedged) Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.4360	–	1.4360	1.3241
Group 2	0.9623	0.4737	1.4360	1.3241

Class X Accumulation Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5734	–	1.5734	1.4180
Group 2	1.1599	0.4135	1.5734	1.4180

Class X Accumulation (hedged) Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.5246	–	1.5246	1.3517
Group 2	1.0158	0.5088	1.5246	1.3517

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Class X Income Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.4784	–	1.4784	1.3903
Group 2	0.9634	0.5150	1.4784	1.3903

Class X Income (hedged) Shares

	Net Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	1.4455	–	1.4455	1.3377
Group 2	1.1100	0.3355	1.4455	1.3377

Second Interim Dividend Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 31 August 2018

Class A Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.9381	–	1.9381	1.1469
Group 2	0.0518	1.8863	1.9381	1.1469

Class A Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.7957	–	1.7957	1.1141
Group 2	0.3203	1.4754	1.7957	1.1141

Class S Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.9644	–	1.9644	1.1795
Group 2	1.1480	0.8164	1.9644	1.1795

Class S Accumulation (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.8582	–	1.8582	1.0814
Group 2	1.8582	0.0000	1.8582	1.0814

Class S Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.8191	–	1.8191	1.1464
Group 2	0.3113	1.5078	1.8191	1.1464

Class S Income (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.7293	–	1.7293	1.0547
Group 2	0.8102	0.9191	1.7293	1.0547

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Class X Accumulation Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.9487	–	1.9487	1.1635
Group 2	0.8066	1.1421	1.9487	1.1635

Class X Accumulation (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.8616	–	1.8616	1.0929
Group 2	0.7808	1.0808	1.8616	1.0929

Class X Income Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.8042	–	1.8042	1.1320
Group 2	0.7454	1.0588	1.8042	1.1320

Class X Income (hedged) Shares

	Net Income	Equalisation	Distribution payable 31.10.18	Distribution paid 31.10.17
Group 1	1.7391	–	1.7391	1.0692
Group 2	0.5882	1.1509	1.7391	1.0692

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Royce US Smaller Companies Fund

General Information

Investment Manager	Royce & Associates, LP
Fund Size	£230.3m
Sector	North American Smaller Companies
Fund Launch	29 March 2004

Investment Objective and Policy

The objective of this Fund is to achieve capital growth, principally through investment in securities of smaller US companies. The Fund seeks to achieve its objective by investing at least 80% of its net asset value in the securities of US smaller companies, measured at the time of investment, with emphasis placed on finding companies that possess excellent business strengths and/or prospects, high internal rates of return and low leverage, and whose securities are trading significantly below the investment manager's estimate of their current worth. The Fund may also invest in other investments to the extent permitted by the FCA Rules as applicable from time to time, which may include: collective investment

schemes (up to a maximum of 10% of the net asset value of the Fund) and convertible securities of companies with market capitalisations above US\$ 5 billion.

Legg Mason IF Royce US Smaller Companies Fund

The Legg Mason IF Royce US Smaller Companies Fund trailed its small-cap benchmark over the period, increasing 17.30% in sterling terms over the period under review while its index, the Russell 2000 Index, increased in sterling terms by 22.80%.

Q. What were the leading contributors to performance during the reporting period?

A. For the six-month period, eight of the portfolio's nine equity sectors made positive contributions to performance. The most significant contribution by far came from the large and diverse Information Technology sector, followed by sizable gains for Industrials, Consumer Discretionary, and Energy. Materials was the lone detracting sector, and its net losses were modest.

Q. What were the leading detractors from performance during the reporting period?

A. Relative to the small-cap Russell 2000 Index, the Fund was hurt most by stock selection and, to a lower degree, its larger exposure to the Industrials sector, particularly in the machinery industry. The portfolio's significantly lower weighting in the Health Care sector – one of the top performers in the small-cap index for the period under review – also detracted, as did the Fund's cash position. By contrast, the Fund was helped on a relative basis by strong stock picks in the Energy sector, where equipment & services holdings Pason Systems, TGS-NOPEC Geophysical Company, and Oil States International all performed well. Stock selection was also a strength in the Consumer Discretionary sector, thanks in large part to specialty retailers Caleres and Monro as well as Movado Group. Overall, sector allocation played a larger role in underperformance than stock selection for the period.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. We were pleased with our positioning at the end of June. Valuations for many holdings appear to have priced in the negative macro headlines and look to be trading on the questionable assumption that short-term profit pressures will not abate. We see things much differently, as financial reports and our meetings with managements both reveal consistently positive evidence in sales and order trends, along with specific actions being taken to improve margins, e.g., price increases and investments in automation. These businesses performed far better than their stocks did in the first half. If they deliver earnings growth, then we believe a strong case can be made for rotation into these names, especially since they offer both attractive growth prospects and the potential for multiple expansion. Several holdings looked not only well-positioned to us for a sustained improvement on existing growth trends, but many also appeared poised to benefit from a rebound for cyclical sectors, such as Industrials, large swaths of Information Technology, and Financials. Many holdings in these sectors continued to trade at steeper-than-normal discounts to defensives at the end of the first half, despite strong fundamentals and earnings growth outlooks. This gave us encouragement about the portfolio's prospects going forward.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
Advanced Energy Industries	4,810	Fabrinet	4,010
Meritor	4,531	Marcus & Millichap	3,566
CIRCOR International	2,622	Caleres	3,383
Stella-Jones	2,405	RLI	3,007
Sun Hydraulics	2,360	TGS Nopec Geophysical	2,789
j2 Global	1,814	Movado	2,670
Minerals Technologies	1,671	NCI Building Systems	2,581
Methode Electronics	1,624	Cal-Maine Foods	2,220
Gibraltar Industries	1,532	Cohu	2,219
Nlight	1,519	Cabot Microelectronics	2,213
Wabash National	1,457	Inter Parfums	2,086
Sterling Construction	1,456	Nanometrics	1,977
Kulicke & Soffa Industries	1,389	Gentex	1,962
ProAssurance	1,361	Greenbrier	1,962
Greenbrier	1,355	Heidrick & Struggles International	1,827
Electro Scientific Industries	1,294	Genworth MI Canada	1,686
John Bean Technologies	1,271	Kulicke & Soffa Industries	1,613
Valmont Industries	1,245	Bio-Techne	1,602
Monro	1,200	Celestica	1,564
MKS Instruments	1,186	AMN Healthcare Services	1,547
Other purchases	22,844	Other sales	29,641
Total purchases for the period	60,946	Total sales for the period	76,125

Legg Mason IF Royce US Smaller Companies Fund (continued)

Risk and Reward Profile – Class A Accumulation (Hedged)



Risk and Reward Profile – Classes A Accumulation, X Accumulation (Hedged) & X Accumulation



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in shares of small cap US companies from various sectors have historically been subject to large fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Investment in company shares: The Fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

Geographical focus: This Fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other Funds that invest in a broader range of regions.

Investment in smaller company shares: The Fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the Fund may not be able to minimise a loss on such shares.

Fund currency: Changes in exchange rates between the currencies of investments held by the Fund and the Fund's base currency may negatively affect the value of an investment and any income received from it.

Hedged class currency: The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the Fund's investment strategy and the currency of your share class, pound sterling. The Fund manager will try to protect the value of your investment against such changes, but it may not succeed.

Derivatives: The use of derivatives can result in greater fluctuations of the share classes value and may cause the share class to lose as much as or more than the amount invested in the derivatives.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Royce US Smaller Companies Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Accumulation			Share Class A Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	351.02	359.38	247.81	159.61	149.73	108.87
Return before operating charges**	62.56	(4.02)	115.39	15.86	11.93	42.60
Operating charges	(2.36)	(4.34)	(3.82)	(1.12)	(2.05)	(1.74)
Return after operating charges*	60.20	(8.36)	111.57	14.74	9.88	40.86
Distributions	–	(0.14)	(0.93)	–	–	–
Retained distributions on accumulation shares	–	0.14	0.93	–	–	–
Closing net asset value per share	411.22	351.02	359.38	174.35	159.61	149.73
^ after direct transaction costs of:	0.24	0.48	0.45	0.10	0.21	0.18
Performance						
Return after operating charges*	17.15%	(2.33)%	45.02%	9.24%	6.60%	37.53%
Other information						
Closing net asset value (£'000's)	55,875	49,390	63,198	59	43	37
Closing number of shares	13,587,726	14,070,473	17,585,388	33,628	27,032	24,590
Operating charges**	1.24%	1.24%	1.28%	1.34%	1.34%	1.43%
Direct transaction costs***	0.06%	0.14%	0.15%	0.06%	0.14%	0.15%
Prices						
Highest share price	418.00	369.40	363.90	175.60	168.00	150.40
Lowest share price	340.00	329.00	244.70	156.30	140.60	109.40
Change in net assets per Share	Share Class X Accumulation			Share Class X Accumulation (hedged)		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	183.70	187.60	128.98	140.27	131.53	102.40
Return before operating charges**	32.76	(2.09)	60.16	14.12	10.21	30.43
Operating charges	(0.99)	(1.81)	(1.54)	(0.80)	(1.47)	(1.30)
Return after operating charges*	31.77	(3.90)	58.62	13.32	8.74	29.13
Distributions	–	(0.54)	(0.94)	–	(0.27)	(0.56)
Retained distributions on accumulation shares	–	0.54	0.94	–	0.27	0.56
Closing net asset value per share	215.47	183.70	187.60	153.59	140.27	131.53
^ after direct transaction costs of:	0.12	0.25	0.24	0.09	0.18	0.18
Performance						
Return after operating charges*	17.29%	(2.08)%	45.45%	9.50%	6.64%	28.45%
Other information						
Closing net asset value (£'000's)	173,900	160,928	169,318	486	597	425
Closing number of shares	80,705,917	87,604,258	90,254,153	316,146	425,553	323,396
Operating charges**	0.99%	0.99%	0.99%	1.09%	1.09%	1.09%
Direct transaction costs***	0.06%	0.14%	0.15%	0.06%	0.14%	0.15%
Prices						
Highest share price	219.00	193.30	189.90	154.80	147.70	132.70
Lowest share price	177.90	171.80	127.50	137.30	123.60	102.90

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Royce US Smaller Companies Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		33,706		(14,561)
Revenue	1,462		1,540	
Expenses	(1,118)		(1,151)	
Net revenue before taxation	344		389	
Taxation	(148)		(176)	
Net revenue after taxation		196		213
Total return before distributions		33,902		(14,348)
Distributions		–		(4)
Change in net assets attributable to shareholders from investment activities		33,902		(14,352)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		210,958		235,942
Amounts receivable on issue of shares	8,203		7,576	
Amounts payable on cancellation of shares	(22,743)		(21,651)	
		(14,540)		(14,075)
Change in net assets attributable to shareholders from investment activities		33,902		(14,352)
Closing net assets attributable to shareholders		230,320		207,515

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Royce US Smaller Companies Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	<u>31.08.18</u> £'000	<u>28.02.18</u> £'000
Assets:		
Fixed assets:		
Investments	214,810	196,405
Current assets:		
Debtors	1,605	1,319
Cash and bank balances	<u>14,456</u>	<u>14,429</u>
Total assets	<u>230,871</u>	<u>212,153</u>
Liabilities:		
Investment liabilities	–	(6)
Creditors		
Other creditors	<u>(551)</u>	<u>(1,189)</u>
Total liabilities	<u>(551)</u>	<u>(1,195)</u>
Net assets attributable to shareholders	<u>230,320</u>	<u>210,958</u>

Legg Mason IF Western Asset Global Multi Strategy Bond Fund

General Information

Investment Manager	Western Asset Management Company Limited
Fund Size	£374.2m
Sector	Global Bond
Fund Launch	23 May 2008

Investment Objective and Policy

The objective of the Fund is to maximise total return through income and capital appreciation by diversifying across a range of fixed income securities, sectors and currencies. The Fund seeks to achieve its objective by investing globally, principally in debt and fixed income securities denominated in currencies of a variety of developed and emerging market countries. A minimum of 80% of the Fund's net asset value will be invested in debt and fixed income securities that are either denominated in Pounds sterling or, if denominated in other currencies, hedged to Pounds sterling. Consequently, no more than 20% of the Fund's net asset value may be exposed to currencies other than Pounds sterling. The Fund will invest more than 40% (and up to 100%) of the assets of the Fund in

debt securities rated Investment Grade at the time of purchase, or if not rated, deemed by the investment manager to be of comparable quality. The Fund invests across the major fixed income sectors including high yielding, emerging market debt securities and loans (in each case to the extent permitted by the FCA Rules). The Fund may also invest in other investments to the extent permitted by the FCA Rules as applicable from time to time, which may include: units or shares in other collective investment schemes (up to a maximum of 10% of the net asset value of the Fund), preferred shares and equity securities acquired via conversions of convertible debt securities (up to a maximum of 10% the net asset value of the Fund) and derivatives for investment purposes as well as efficient portfolio management purposes.

Legg Mason IF Western Asset Global Multi Strategy Bond Fund

The Legg Mason IF Western Asset Global Multi Strategy Bond Fund decreased 2.77% in sterling terms over the period under review, while the IA Global Bond sector recorded an increase in sterling terms of 1.80%.

Q. What were the leading contributors to performance during the reporting period?

A. The Fund's bias to longer dated US dollar issues benefited performance as the yield curve flattened. The Fund's exposures to bank loans and high-yield corporate bonds were also beneficial, albeit to a lesser extent.

Q. What were the leading detractors from performance during the reporting period?

A. Turmoil in emerging markets intensified during the reporting period. This was driven by a combination of US dollar strength as the US Federate Reserve Board continued to normalize monetary policy and negative idiosyncratic developments in Turkey or Argentina that fed through the broader universe. Against this backdrop, the Fund's allocation to emerging market bonds was the largest detractor from performance over the period.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. Several changes were made in the portfolio's allocation to emerging markets over the reporting period. Emerging market currency positioning was rebalanced in order to reduce the overall risk in the portfolio. In addition, some profits were taken in certain local exposures in Poland and Brazil. Elsewhere, a short Australian dollar position was initiated as a hedge against declining global growth.

At the end of the reporting period, the portfolio remained diversified between emerging market (local and hard currency bonds), high-yield and investment-grade corporate bonds and government bonds. The portfolio's exposure to US Treasuries was used as a ballast against a risk-off environment, during which government bond yields tend to decline.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
RETL 2018-RVP 8.06269% CMBS 15/03/2033	5,045	United States Treasury Note 1.875% US Government	
Republic of South Africa Government Bond 6.5% Domestic 28/02/2041	4,425	31/01/2022	13,839
RETL 2018-RVP 6.56269% CMBS 15/03/2033	3,443	Brazil Notas do Tesouro Nacional Serie F 10% Domestic	
CVS Health 4.1% Global 25/03/2025	2,529	01/01/2021	12,797
Wachovia Bank Commercial Mortgage Trust	2,152	United States Treasury Note 2% US Government	
Brazil Notas do Tesouro Nacional Serie F 10% Domestic 01/01/2021	1,763	31/10/2022	11,602
KazMunayGas National 5.375% Euro Dollar 24/04/2030	1,462	Poland Government Bond 2.5% Domestic 25/07/2026	4,626
SLM Student Loan Trust	1,410	Petrobras Global Finance 6.75% Global 27/01/2041	2,973
Republic of South Africa Government International Bond 5.875% Global 22/06/2030	1,396	Majapahit 7.75% Euro Dollar 20/01/2020	2,934
JP Morgan Chase Commercial Mortgage Securities Trust 2018-PHMZ 10.27034% CMBS 15/06/2035	1,382	United States Treasury Note 3.125% US Government	
Unibail-Rodamco 2.125% Euro Zone Perpetual	1,297	15/02/2043	2,866
HCA 5.625% US Domestic 01/09/2028	1,229	Mirant Mid Atlantic Pass Through 10.06% Global 30/12/2028	2,231
DISH DBS 7.75% Global 01/07/2026	1,146	United States Treasury Note 1.625% US Government	
RETL 2018-RVP 9.56269% CMBS 15/03/2033	945	15/05/2026	2,145
Intesa Sanpaolo 7% Euro MTN Perpetual	910	Wachovia Bank Commercial Mortgage Trust	2,099
Targa Resources Partners 5.875% Private Placement 15/04/2026	882	Colombia Government International Bond 5.625% Global	
Murray Energy 12% Private Placement 15/04/2024	876	26/02/2044	1,911
OCI 6.625% Euro Dollar 15/04/2023	865	UniCredit 6.625% Euro-Zone Perpetual	1,844
Glencore Finance Canada 6% Euro Dollar 15/11/2041	857	OCP 4.5% Euro Dollar 22/10/2025	1,784
Teva Pharmaceutical Finance Netherlands II 4.5% Euro-Zone 01/03/2025	851	Marfrig Europe 8% Euro Dollar 08/06/2023	1,660
		RETL 2018-RVP 6.56269% CMBS 15/03/2033	1,612
		Enterprise Products Operating 5.4809% US Domestic	
		01/08/2066	1,524
		SLM Student Loan Trust	1,400
		RETL 2018-RVP 8.06269% CMBS 15/03/2033	1,241
		HCA 5.375% US Domestic 01/02/2025	1,240
		Indonesia Government International Bond 5.25% Euro MTN	
		17/01/2042	1,190
Other purchases	18,294	Other sales	46,385
Total purchases for the period	53,159	Total sales for the period	119,903

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The Fund is in its risk/reward category because investments in a diversified portfolio of bonds from various countries and sectors have historically been subject to relatively small fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Bonds: There is a risk that issuers of bonds held by the Fund may not be able to repay the investment or pay the interest due on it, leading to losses for the Fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

Liquidity: In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to minimise a loss on such investments.

Emerging markets investment: The Fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

Asset-backed securities: The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the Fund. These types of investments may also be difficult for the Fund to sell quickly.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Hedging: The Fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the Fund and base currency of the Fund itself (hedging). However, hedging transactions can also expose the Fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the Fund.

Interest rates: Changes in interest rates may negatively affect the value of the Fund. Typically as interest rates rise, bond values fall.

Fund counterparties: The Fund may suffer losses if the parties that it trades with cannot meet their financial obligations.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Income			Share Class I Accumulation		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	90.43	93.15	84.15	132.93	129.56	110.10
Return before operating charges**	(2.10)	2.96	15.14	(3.23)	4.11	20.15
Operating charges	(0.44)	(0.92)	(0.94)	(0.37)	(0.74)	(0.69)
Return after operating charges*	(2.54)	2.04	14.20	(3.60)	3.37	19.46
Distributions	(2.53)	(4.76)	(5.20)	(3.78)	(6.82)	(7.04)
Retained distributions on accumulation shares	–	–	–	3.78	6.82	7.04
Closing net asset value per share	85.36	90.43	93.15	129.33	132.93	129.56
^ after direct transaction costs of:	0.00	0.01	0.01	0.00	0.01	0.02
Performance						
Return after operating charges*	(2.81)%	2.19%	16.87%	(2.71)%	2.60%	17.67%
Other information						
Closing net asset value (£'000's)	1,264	1,405	1,909	73,261	71,911	97,012
Closing number of shares	1,480,395	1,554,007	2,049,824	56,644,482	54,098,381	74,879,243
Operating charges**	0.98%	0.98%	1.02%	0.56%	0.56%	0.56%
Direct transaction costs***	0.00%	0.01%	0.01%	0.00%	0.01%	0.01%
Prices						
Highest share price	90.68	94.44	94.36	133.30	135.00	129.70
Lowest share price	85.99	90.56	84.91	129.70	128.50	111.10
Change in net assets per Share	Share Class I Income			Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	115.41	118.41	106.60	89.75	92.30	83.26
Return before operating charges**	(2.76)	3.77	19.09	(2.13)	2.93	14.92
Operating charges	(0.32)	(0.67)	(0.65)	(0.36)	(0.74)	(0.73)
Return after operating charges*	(3.08)	3.10	18.44	(2.49)	2.19	14.19
Distributions	(3.24)	(6.10)	(6.63)	(2.51)	(4.74)	(5.15)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	109.09	115.41	118.41	84.75	89.75	92.30
^ after direct transaction costs of:	0.00	0.01	0.01	0.00	0.01	0.01
Performance						
Return after operating charges*	(2.67)%	2.62%	17.30%	(2.77)%	2.37%	17.05%
Other information						
Closing net asset value (£'000's)	250,636	331,088	407,868	49,080	53,693	31,341
Closing number of shares	229,749,435	286,885,952	344,457,044	57,912,825	59,822,695	33,955,289
Operating charges**	0.56%	0.56%	0.56%	0.80%	0.81%	0.80%
Direct transaction costs***	0.00%	0.01%	0.01%	0.00%	0.01%	0.01%
Prices						
Highest share price	115.70	120.30	119.80	90.00	93.65	93.44
Lowest share price	109.90	115.60	107.50	85.36	89.87	84.01

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(21,173)		5,000
Revenue	11,593		12,402	
Expenses	(1,166)		(1,385)	
Net revenue before taxation	10,427		11,017	
Taxation	(71)		(56)	
Net revenue after taxation		10,356		10,961
Total return before distributions		(10,817)		15,961
Distributions		(11,207)		(11,964)
Change in net assets attributable to shareholders from investment activities		(22,024)		3,997

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		458,097		538,470
Amounts receivable on issue of shares	23,078		30,860	
Amounts payable on cancellation of shares	(87,001)		(99,839)	
		(63,923)		(68,979)
Change in net assets attributable to shareholders from investment activities		(22,024)		3,997
Retained distributions on accumulation shares		2,091		1,699
Closing net assets attributable to shareholders		374,241		475,187

The above statement shows the comparative closing net assets at 31 August 2017 whereas the current accounting period commenced 1 March 2018.

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	362,671	442,576
Current assets:		
Debtors	5,154	6,126
Cash and bank balances	14,177	27,333
Total assets	<u>382,002</u>	<u>476,035</u>
Liabilities:		
Investment liabilities	(4,076)	(11,495)
Creditors		
Bank overdrafts	(290)	–
Distribution payable	(1,394)	(1,626)
Other creditors	(2,001)	(4,817)
Total liabilities	<u>(7,761)</u>	<u>(17,938)</u>
Net assets attributable to shareholders	<u>374,241</u>	<u>458,097</u>

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Distribution Table (unaudited)

As at 31 August 2018

First Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 March 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 28.04.17
Group 1	0.3943	–	0.3943	0.4316
Group 2	0.2291	0.1652	0.3943	0.4316

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 28.04.17
Group 1	0.5815	–	0.5815	0.6111
Group 2	0.1854	0.3961	0.5815	0.6111

Class I Income Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 28.04.17
Group 1	0.5050	–	0.5050	0.5592
Group 2	0.0925	0.4125	0.5050	0.5592

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 28.04.17
Group 1	0.3913	–	0.3913	0.4335
Group 2	0.1765	0.2148	0.3913	0.4335

Second Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 April 2018

Group 2 Final shares purchased on or after 1 April 2018 to 30 April 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.4509	–	0.4509	0.3057
Group 2	0.2829	0.1680	0.4509	0.3057

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.6680	–	0.6680	0.4186
Group 2	0.2341	0.4339	0.6680	0.4186

Class I Income Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.5777	–	0.5777	0.3898
Group 2	0.2404	0.3373	0.5777	0.3898

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.4476	–	0.4476	0.3034
Group 2	0.2486	0.1990	0.4476	0.3034

Third Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 May 2018

Group 2 Final shares purchased on or after 1 May 2018 to 31 May 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.4388	–	0.4388	0.4248
Group 2	0.3100	0.1288	0.4388	0.4248

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.6539	–	0.6539	0.6079
Group 2	0.2477	0.4062	0.6539	0.6079

Class I Income Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.5624	–	0.5624	0.5432
Group 2	0.2115	0.3509	0.5624	0.5432

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.4357	–	0.4357	0.4205
Group 2	0.2198	0.2159	0.4357	0.4205

Fourth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 30 June 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.3978	–	0.3978	0.3924
Group 2	0.3852	0.0126	0.3978	0.3924

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.5960	–	0.5960	0.5570
Group 2	0.2342	0.3618	0.5960	0.5570

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Class I Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.5100	–	0.5100	0.5013
Group 2	0.1084	0.4016	0.5100	0.5013

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.3950	–	0.3950	0.3889
Group 2	0.2146	0.1804	0.3950	0.3889

Fifth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 July 2018

Group 2 Final shares purchased on or after 1 July 2018 to 31 July 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.4537	–	0.4537	0.3600
Group 2	0.3025	0.1512	0.4537	0.3600

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.6828	–	0.6828	0.5035
Group 2	0.5373	0.1455	0.6828	0.5035

Class I Income Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.5818	–	0.5818	0.4645
Group 2	0.2704	0.3114	0.5818	0.4645

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.4506	–	0.4506	0.3628
Group 2	0.2167	0.2339	0.4506	0.3628

Sixth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 August 2018

Group 2 Final shares purchased on or after 1 August 2018 to 31 August 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution payable 28.09.18	Distribution paid 29.09.17
Group 1	0.3942	–	0.3942	0.4190
Group 2	0.1038	0.2904	0.3942	0.4190

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Distribution Table (unaudited) (continued)

As at 31 August 2018

Class I Accumulation Shares

	Gross Income	Equalisation	Distribution payable 28.09.18	Distribution paid 29.09.17
Group 1	0.5964	–	0.5964	0.5943
Group 2	0.1682	0.4282	0.5964	0.5943

Class I Income Shares

	Gross Income	Equalisation	Distribution payable 28.09.18	Distribution paid 29.09.17
Group 1	0.5055	–	0.5055	0.5336
Group 2	0.2505	0.2550	0.5055	0.5336

Class X Income Shares

	Gross Income	Equalisation	Distribution payable 28.09.18	Distribution paid 29.09.17
Group 1	0.3913	–	0.3913	0.4153
Group 2	0.1836	0.2077	0.3913	0.4153

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Western Asset Retirement Income Bond Fund

General Information

Investment Manager	Western Asset Management Company Limited
Fund Size	£12.5m
Sector	UK Corporate Bond
Fund Launch	12 February 1998

Investment Objective and Policy

The objective of the Fund is to provide a regular income stream, in excess of the prevailing level of interest rates in the U.K., with a focus on capital preservation. The Fund seeks to achieve its objective by investing in a range of fixed interest securities including, but not limited to, corporate bonds, government bonds and asset backed securities. The Fund will invest a minimum of 60% of its net asset value in global investment grade corporate bonds and UK government bonds (gilts). In addition, the Fund may invest up to 35% of its net asset value in global high yield bonds. The Fund may also invest in other transferable securities, money market instruments, deposits, collective investment schemes and

derivatives for efficient portfolio management only. Any instrument denominated in a currency other than Pounds sterling will normally be hedged back to Pounds sterling.

Legg Mason IF Western Asset Retirement Income Bond Fund

The Legg Mason IF Western Asset Retirement Income Bond Fund increased 0.99% in sterling terms over the period under review, while the IA Sterling Strategic Bond sector recorded a decrease in sterling terms of 0.11%.

Q. What were the leading contributors to performance during the reporting period?

A. The Fund targets a fixed asset allocation of 20% gilts, 50% investment-grade corporate bonds and 30% high-yield corporate bonds. The largest contributor to performance was the Fund's allocation to gilts.

Q. What were the leading detractors from performance during the reporting period?

A. The largest detractor from performance was the Fund's exposure to investment-grade corporate bonds, as their spreads widened during the reporting period.

Q. Were there any significant changes to the portfolio and how was it positioned at the end of the reporting period?

A. There were no significant changes to the portfolio during the reporting period.

It should be noted that the value of investments and the income from them may go down as well as up. Investment involves risks, including the possible loss of the amount invested. Past performance is not a reliable indicator of future results. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors.

Summary of Significant Changes

For the six months ended 31 August 2018

Purchases	Costs £'000	Sales	Proceeds £'000
United Kingdom Gilt 1.625% 22/10/2028	255	Svenska Handelsbanken 1.625% Global 21/03/2018	307
JPMorgan Chase 1.638% Euro MTN 18/05/2028	194	United Kingdom Gilt 1.25% 22/07/2018	254
UBS Group Funding Switzerland 4.125% Euro Dollar 24/09/2025	194	Legg Mason Western Asset US High Yield	196
Land Securities Capital Markets 2.375% Euro MTN 29/03/2027	117	PepsiCo 2.5% Euro MTN 01/11/2022	168
GLP Capital 5.375% US Domestic 15/04/2026	96	Verizon Communications 4.073% Euro Non-Dollar 18/06/2024	167
HCA 5.625% US Domestic 01/09/2028	70	Nationwide Building Society 2.25% Euro MTN 29/04/2022	155
MPT 5% Global 15/10/2027	49	Compass 3.85% Euro MTN 26/06/2026	114
DAE Funding 5% Euro Dollar 01/08/2024	48	Telefonica Europe 6.75% Euro Non-Dollar Perpetual	112
Continental Resources 4.5% Global 15/04/2023	43	Centrica 6.375% Euro MTN 10/03/2022	84
Legg Mason Western Asset US High Yield	38	Dollar Tree 5.75% Global 01/03/2023	77
Other purchases	18,563	Other sales	19,293
Total purchases for the period	19,667	Total sales for the period	20,927

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Risk and Reward Profile



There is no guarantee that the Fund will remain in the indicator category shown above and the categorisation of the Fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this Fund.

The lowest category does not mean a risk-free investment.

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The fund is in its risk/reward category because mixed investments in UK government and global bonds have historically been subject to relatively small fluctuations in value.

The Fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

Bonds: There is a risk that issuers of bonds held by the Fund may not be able to repay the investment or pay the interest due on it, leading to losses for the Fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

Liquidity: In certain circumstances it may be difficult to sell the Fund's investments because there may not be enough demand for them in the markets, in which case the Fund may not be able to minimise a loss on such investments.

Low rated bonds: The Fund may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds.

Asset-backed securities: The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the Fund. These types of investments may also be difficult for the fund to sell quickly.

Derivatives: The use of derivatives can result in greater fluctuations of the Fund's value and may cause the Fund to lose as much as or more than the amount invested.

Hedging: The Fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the Fund and base currency of the Fund itself (hedging). However, hedging transactions can also expose the Fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the Fund.

Interest rates: Changes in interest rates may negatively affect the value of the Fund. Typically as interest rate rise, bond values fall.

Fund counterparties: The Fund may suffer losses if the parties that it trades with cannot meet their financial obligations.

Fund operations: The Fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

Annual management charge from capital: The Fund's annual management charge is taken from its capital (rather than income). This may adversely affect the Fund's overall growth.

For further explanation on the risks associated with an investment in the Fund, please refer to the section entitled "Risk Factors" in the Prospectus.

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Performance Record (unaudited)

As at 31 August 2018

Change in net assets per Share	Share Class A Income			Share Class X Income		
	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)	31.08.18 (p)	28.02.18 (p)	28.02.17 (p)
Opening net asset value per share	84.71	87.13	83.36	95.32	98.04	93.76
Return before operating charges**^	1.03	0.80	7.34	1.16	0.91	8.24
Operating charges	(0.19)	(0.38)	(0.42)	(0.21)	(0.43)	(0.42)
Return after operating charges*	0.84	0.42	6.92	0.95	0.48	7.82
Distributions	(1.45)	(2.84)	(3.15)	(1.63)	(3.20)	(3.54)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	84.10	84.71	87.13	94.64	95.32	98.04
^ after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after operating charges*	0.99%	0.48%	8.30%	1.00%	0.49%	8.34%
Other information						
Closing net asset value (£'000's)	9,188	9,810	11,348	3,303	3,504	3,849
Closing number of shares	10,924,795	11,580,439	13,024,242	3,490,136	3,676,232	3,926,132
Operating charges**	0.44%	0.44%	0.48%	0.44%	0.44%	0.43%
Direct transaction costs***	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price	84.98	87.89	88.74	95.63	98.91	99.84
Lowest share price	84.00	84.57	83.72	94.53	95.17	94.17

* Operating charges include indirect costs incurred in the maintenance and running of the sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Shares in issue for the accounting period.

** The operating charges (OCF) shows the annual expenses of the Fund as a percentage of the average Net Asset Value, which helps you compare the annual expenses to different schemes.

*** Direct transaction costs within this table have been calculated against the average Net Asset Value for the accounting period.

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Statement of Total Return (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(73)		50
Revenue	229		256	
Expenses	(28)		(31)	
Net revenue before taxation	201		225	
Taxation	–		–	
Net revenue after taxation		201		225
Total return before distributions		128		275
Distributions		(221)		(247)
Change in net assets attributable to shareholders from investment activities		(93)		28

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		13,314		15,198
Amounts receivable on issue of shares	121		251	
Amounts payable on cancellation of shares	(851)		(1,113)	
		(730)		(862)
Change in net assets attributable to shareholders from investment activities		(93)		28
Closing net assets attributable to shareholders		12,491		14,364

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Balance Sheet (unaudited)

As at 31 August 2018

	31.08.18 £'000	28.02.18 £'000
Assets:		
Fixed assets:		
Investments	12,338	13,275
Current assets:		
Debtors	164	168
Cash and bank balances	87	100
Total assets	<u>12,589</u>	<u>13,543</u>
Liabilities:		
Investment liabilities	(34)	(158)
Creditors		
Distribution payable	(38)	(36)
Other creditors	(26)	(35)
Total liabilities	<u>(98)</u>	<u>(229)</u>
Net assets attributable to shareholders	<u>12,491</u>	<u>13,314</u>

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Distribution Table

As at 31 August 2018

First Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 March 2018

Group 2 Final shares purchased on or after 1 March 2018 to 31 March 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 30.04.17
Group 1	0.2234	–	0.2234	0.2782
Group 2	0.0852	0.1382	0.2234	0.2782

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 30.04.18	Distribution paid 30.04.17
Group 1	0.2514	–	0.2514	0.3129
Group 2	0.0253	0.2261	0.2514	0.3129

Second Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 April 2018

Group 2 Final shares purchased on or after 1 April 2018 to 30 April 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.2457	–	0.2457	0.2001
Group 2	0.1003	0.1454	0.2457	0.2001

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.05.18	Distribution paid 31.05.17
Group 1	0.2765	–	0.2765	0.2252
Group 2	0.0483	0.2282	0.2765	0.2252

Third Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 May 2018

Group 2 Final shares purchased on or after 1 May 2018 to 31 May 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.2492	–	0.2492	0.2646
Group 2	0.0118	0.2374	0.2492	0.2646

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 29.06.18	Distribution paid 30.06.17
Group 1	0.2804	–	0.2804	0.2977
Group 2	0.0856	0.1948	0.2804	0.2977

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Distribution Table (continued)

As at 31 August 2018

Fourth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 June 2018

Group 2 Final shares purchased on or after 1 June 2018 to 30 June 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.2284	–	0.2284	0.2276
Group 2	0.0926	0.1358	0.2284	0.2276

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.07.18	Distribution paid 31.07.17
Group 1	0.2570	–	0.2570	0.2562
Group 2	0.1744	0.0826	0.2570	0.2562

Fifth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 July 2018

Group 2 Final shares purchased on or after 1 July 2018 to 31 July 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.2456	–	0.2456	0.2312
Group 2	0.0929	0.1527	0.2456	0.2312

Class X Income Shares

	Gross Income	Equalisation	Distribution paid 31.08.18	Distribution paid 31.08.17
Group 1	0.2764	–	0.2764	0.2603
Group 2	0.1732	0.1032	0.2764	0.2603

Sixth Interim Interest Distribution in pence per share

Group 1 Final shares purchased prior to 1 August 2018

Group 2 Final shares purchased on or after 1 August 2018 to 31 August 2018

Class A Income Shares

	Gross Income	Equalisation	Distribution payable 30.09.18	Distribution paid 30.09.17
Group 1	0.2551	–	0.2551	0.2599
Group 2	0.0970	0.1581	0.2551	0.2599

Class X Income Shares

	Gross Income	Equalisation	Distribution payable 30.09.18	Distribution paid 30.09.17
Group 1	0.2871	–	0.2871	0.2925
Group 2	0.0965	0.1906	0.2871	0.2925

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Legg Mason IF Brandywine Global Income Optimiser Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Bonds 96.81% (90.93%)			
Sterling Denominated 3.50% (1.21%)			
United Kingdom Gilt 1.5% 22/07/2047	GBP 5,195,000	4,859	3.50
		4,859	3.50
Australian Dollar Denominated 0.00% (2.02%)			
Colombian Peso Denominated 0.00% (1.97%)			
Euro Denominated 9.61% (2.04%)			
French Republic Government Bond 2% Euro-Zone 25/05/2048	EUR 13,560,000	13,324	9.61
		13,324	9.61
Indonesian Rupiah Denominated 0.00% (4.93%)			
Malaysian Ringgit Denominated 0.00% (3.57%)			
New Zealand Dollar Denominated 0.00% (1.97%)			
Peruvian Sol Denominated 0.00% (3.54%)			
South African Rand Denominated 0.00% (4.22%)			
US Dollar Denominated 83.70% (65.46%)			
Air Canada 7.75% Private Placement 15/04/2021	USD 250,000	207	0.15
American Express 2.5% Global 01/08/2022	USD 3,165,000	2,342	1.69
American Express 2.65% Global 02/12/2022	USD 340,000	252	0.18
American Tower 2.25% Global 15/01/2022	USD 2,300,000	1,694	1.22
AmeriGas Partners 5.625% Global 20/05/2024	USD 480,000	366	0.26
Antero Resources 5.375% Global 01/11/2021	USD 1,055,000	824	0.59
Apple 3% Global 20/06/2027	USD 305,000	225	0.16
Asset Backed Securities Corp Home Equity Loan Trust Series 2004-HE5 2.96475% ABS Home 25/08/2034	USD 1,087,605	840	0.61
Bank of America 2.25% Domestic 21/04/2020	USD 335,000	254	0.18
Bank of America 3.20738% Domestic 01/04/2019	USD 2,600,000	2,009	1.45
Bank of America 4.2% Domestic 26/08/2024	USD 945,000	730	0.53
BMW US Capital 2.68925% Private Placement 14/08/2020	USD 1,500,000	1,155	0.83
BMW US Capital 2.71731% Private Placement 06/04/2020	USD 795,000	614	0.44
Centex Home Equity Loan Trust 2005-A 2.78475% ABS Home 25/01/2035	USD 840,856	647	0.47
CF Industries 3.4% Private Placement 01/12/2021	USD 2,310,000	1,756	1.27
CF Industries 4.95% US Domestic 01/06/2043	USD 60,000	40	0.03
Church & Dwight 3.15% Global 01/08/2027	USD 320,000	231	0.17
CIT 5% Global 15/08/2022	USD 2,190,000	1,718	1.24
Citibank 2.688% US Domestic 12/02/2021	USD 2,250,000	1,731	1.25
Citigroup 3.5% Global 15/05/2023	USD 3,055,000	2,312	1.67
Colorado Interstate Gas 4.15% Private Placement 15/08/2026	USD 845,000	638	0.46
Crown Castle International 3.7% Global 15/06/2026	USD 275,000	203	0.15
CSX 4.3% Global 01/03/2048	USD 1,700,000	1,279	0.92
CVS Health 2.8% Global 20/07/2020	USD 1,700,000	1,298	0.94
CWABS Revolving Home Equity Loan Trust Series 2004-I 2.35269% ABS 15/02/2034	USD 3,134,064	2,384	1.72
Daimler Finance North America 2.75963% Private Placement 22/02/2021	USD 2,640,000	2,034	1.47
Dell International 6.02% Private Placement 15/06/2026	USD 1,590,000	1,296	0.93
DISH DBS 5% Global 15/03/2023	USD 355,000	243	0.18
Energy Transfer Equity 5.5% US Domestic 01/06/2027	USD 680,000	549	0.40
Equinix 5.375% US Domestic 01/04/2023	USD 1,700,000	1,341	0.97
Fannie Mae Connecticut Avenue Securities 6.06475% Private CMO 25/05/2025	USD 502,615	425	0.31
Fiat Chrysler Automobiles 5.25% Global 15/04/2023	USD 2,150,000	1,680	1.21
FMG Resources August 2006 5.125% Private Placement 15/03/2023	USD 670,000	504	0.36
Frontier Communications 7.125% Global 15/03/2019	USD 2,000,000	1,542	1.11
GEO 5.125% Global 01/04/2023	USD 235,000	175	0.13
Goldman Sachs 3.06025% Global 23/02/2023	USD 3,780,000	2,915	2.10

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
HCA 4.75% Global 01/05/2023	USD 1,665,000	1,301	0.94
Iron Mountain 5.25% Private Placement 15/03/2028	USD 540,000	393	0.28
Iron Mountain 6% US Domestic 15/08/2023	USD 1,075,000	849	0.61
JP Morgan Mortgage Acquisition Trust 2007-CH3 2.38475% ABS 25/03/2037	USD 4,201,822	3,161	2.28
JPMorgan Chase 3.125% Global 23/01/2025	USD 3,260,000	2,414	1.74
Kraft Heinz Foods 3.5% Global 06/06/2022	USD 2,255,000	1,727	1.25
Kraft Heinz Foods 3.5% Global 15/07/2022	USD 280,000	214	0.15
Lehman XS Trust Series 2005-5N 2.36475% Private CMO 25/11/2035	USD 2,453,803	1,859	1.34
Liberty Interactive 8.25% Global 01/02/2030	USD 1,390,000	1,138	0.82
Macquarie Bank 2.68725% Private Placement 04/04/2019	USD 2,250,000	1,732	1.25
MARB BondCo 7% Euro Dollar 15/03/2024	USD 785,000	570	0.41
Marfrig Europe 8% Euro Dollar 08/06/2023	USD 460,000	358	0.26
Merrill Lynch Mortgage Investors Trust Series 2006-HE1 2.45475% ABS Home 25/12/2036	USD 1,000,000	769	0.55
Minerva Luxembourg 6.5% Euro Dollar 20/09/2026	USD 670,000	458	0.33
Morgan Stanley 2.65% Global 27/01/2020	USD 1,000,000	765	0.55
NIKE 3.625% Global 01/05/2043	USD 440,000	321	0.23
Sealed Air 5.25% Private Placement 01/04/2023	USD 300,000	234	0.17
Specialty Underwriting & Residential Finance Trust Series 2006-BC1 2.45475% ABS Home 25/12/2036	USD 6,000,000	4,595	3.31
Sprint 7.25% Global 15/09/2021	USD 2,830,000	2,290	1.65
Steel Dynamics 5.125% Global 01/10/2021	USD 2,000,000	1,553	1.12
Symantec 5% Private Placement 15/04/2025	USD 2,135,000	1,627	1.17
Thornburg Mortgage Securities Trust 2004-2 2.68475% Private CMO 25/06/2044	USD 2,657,081	2,034	1.47
UBS Group Funding Switzerland 3.53025% Private Placement 23/05/2023	USD 2,245,000	1,750	1.26
United States Treasury Floating Rate Note 2.12399% US Government 30/04/2020	USD 43,900,000	33,760	24.35
United States Treasury Note 2.75% US Government 15/02/2028	USD 11,070,000	8,431	6.08
Vector 6.125% Private Placement 01/02/2025	USD 200,000	147	0.11
WaMu Mortgage Pass-Through Series 2004-AR5 Trust 4.191835% Private CMO 25/06/2034	USD 3,393,267	2,662	1.92
Wells Fargo 4.3% Global 22/07/2027	USD 625,000	481	0.35
		116,046	83.70
Derivatives (1.36%) (6.59%)			
Euro Derivatives 0.00% (0.22%)			
Forward Currency Contracts 0.00% ((0.03%))			
Futures 0.00% (0.25%)			
Indian Rupee Derivatives 0.00% ((0.04%))			
Forward Currency Contracts 0.00% ((0.04%))			
Japanese Yen Derivatives 0.00% (0.05%)			
Forward Currency Contracts 0.00% (0.05%)			
Polish Zloty Derivatives 0.00% (0.00%)			
Forward Currency Contracts 0.00% (0.00%)			
Swedish Krona Derivatives (0.04%) (0.00%)			
Forward Currency Contracts (0.04%) (0.00%)			
Forward to Buy SEK40,000,000 for USD4,473,674 Settlement 21/09/2018		(60)	(0.04)
		(60)	(0.04)
US Dollar Derivatives (1.32%) (6.36%)			
Credit Default Swaps 0.04% (3.95%)			
Citibank Credit Default Swap 20/06/2022	850,000	(8)	–
JP Morgan Credit Default Swap 20/06/2022	700,000	71	0.05
Morgan Stanley Credit Default Swap 20/12/2022	850,000	(16)	(0.01)
		47	0.04

Legg Mason IF Brandywine Global Income Optimiser Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Forward Currency Contracts (1.37%) (2.41%)			
Forward to Buy USD4,522,302 for SEK40,000,000 Settlement 21/09/2018		98	0.07
Forward to Buy USD16,203,053 for GBP12,620,000 Settlement 18/09/2018		(168)	(0.12)
Forward to Buy USD17,231,349 for EUR14,960,000 Settlement 11/12/2018		(273)	(0.20)
Forward to Sell USD173,386,106 for GBP131,695,000 Settlement 18/09/2018		(1,555)	(1.12)
		(1,898)	(1.37)
Futures 0.01% (0.00%)			
10YR US Treasury Note Futures December 2018	34	9	0.01
		9	0.01
Portfolio of investments		132,327	95.45
Net other assets		6,309	4.55
Net assets		138,636	100.00

All investments are corporate bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

	31.08.2018 £'000	28.02.2018 £'000
Credit Risk		
Investment grade securities	101,512	28,429
Below investment grade securities	32,717	14,718
Unrated securities	–	465
	134,229	43,612
Other investments	(1,902)	3,157
	132,327	46,769

Legg Mason IF ClearBridge Global Equity Income Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Australia 1.66% (2.07%)			
Incitec Pivot	247,480	538	1.66
		538	1.66
Austria 1.04% (1.10%)			
UNIQA Insurance	44,570	337	1.04
		337	1.04
Brazil 0.77% (2.40%)			
Duratex	142,936	248	0.77
		248	0.77
Canada 2.94% (1.57%)			
Gluskin Sheff	17,780	175	0.54
IGM Financial	6,970	152	0.47
Nutrien	14,270	624	1.93
		951	2.94
China 7.74% (7.44%)			
China Construction Bank	867,640	589	1.82
China Machinery Engineering	577,724	216	0.67
Greatview Aseptic Packaging	1,052,810	431	1.33
Hengan International	50,820	351	1.08
Huadian Fuxin Energy	1,143,020	180	0.56
Ping An Insurance	47,380	351	1.08
Zhejiang Expressway	634,650	387	1.20
		2,505	7.74
Denmark 1.40% (0.83%)			
AP Moller – Maersk	376	454	1.40
		454	1.40
Finland 0.00% (1.42%)			
France 10.65% (10.58%)			
AXA	18,270	357	1.10
BNP Paribas	15,130	689	2.13
Bouygues	8,680	298	0.92
ICADE*	8,620	649	2.00
Schneider Electric	5,990	378	1.17
TOTAL	11,979	581	1.79
Veolia Environnement	30,770	500	1.54
		3,452	10.65
Germany 6.86% (7.03%)			
Allianz	2,660	441	1.36
BASF	7,830	563	1.74
Bayerische Motoren Werke	9,030	678	2.09
ProSiebenSat.1 Media	20,500	416	1.28
publity	13,270	126	0.39
		2,224	6.86
Hong Kong 3.41% (3.00%)			
Far East Horizon	571,280	415	1.28
Shenzhen International	191,520	275	0.85

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
SJM	475,540	413	1.28
		1,103	3.41
Ireland 1.26% (1.13%)			
Irish Residential Properties*	306,420	409	1.26
		409	1.26
Italy 3.68% (4.57%)			
Anima	60,080	218	0.67
Azimut	21,871	270	0.83
MARR	32,420	706	2.18
		1,194	3.68
Japan 3.83% (3.49%)			
NTT DoCoMo	17,071	341	1.05
Shinko Plantech	52,970	382	1.18
Sumitomo Mitsui Financial	17,070	518	1.60
		1,241	3.83
Netherlands 3.16% (4.01%)			
Akzo Nobel	6,636	480	1.48
Royal Dutch Shell	21,510	543	1.68
		1,023	3.16
New Zealand 0.74% (1.25%)			
Kathmandu	143,450	239	0.74
		239	0.74
Singapore 0.87% (1.88%)			
Mapletree Logistics Trust*	396,788	283	0.87
		283	0.87
South Korea 0.93% (0.82%)			
KT	15,110	301	0.93
		301	0.93
Sweden 0.81% (2.42%)			
Inwido	43,790	263	0.81
		263	0.81
Switzerland 7.66% (6.78%)			
Adecco	9,390	445	1.37
Credit Suisse	25,240	293	0.90
Novartis	10,620	682	2.11
Roche	3,990	766	2.36
UBS	24,680	298	0.92
		2,484	7.66
Taiwan 1.26% (1.01%)			
Lumax International	243,790	409	1.26
		409	1.26

Legg Mason IF ClearBridge Global Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Thailand 3.27% (2.08%)			
Bangkok Bank Foreign Shares	68,860	337	1.04
Krung Thai Bank Foreign Shares	754,340	342	1.06
Thai Union Foreign Shares	924,700	380	1.17
		1,059	3.27
United Kingdom 13.90% (17.03%)			
Ashmore	44,710	160	0.49
BP	102,867	566	1.75
Dixons Carphone	164,810	278	0.86
Elegant Hotels	245,100	169	0.52
G4S	140,880	354	1.09
GVC	34,159	374	1.16
HSBC	100,340	673	2.08
Imperial Tobacco	12,973	359	1.11
Lloyds Banking	507,690	302	0.93
Rio Tinto	7,240	292	0.90
Shanks	456,981	299	0.92
Standard Life Aberdeen	95,716	305	0.94
Whitbread	7,980	373	1.15
		4,504	13.90
United States 20.42% (12.60%)			
AT&T	10,160	250	0.77
Dick's Sporting Goods	18,950	526	1.62
Eaton	8,350	531	1.64
Exelon	14,490	489	1.51
General Electric	30,470	299	0.92
International Business Machines	4,700	527	1.63
Invesco	11,440	213	0.66
Kohl's	11,430	687	2.12
Newell Brands	17,390	292	0.90
ONEOK	7,470	381	1.18
Pfizer	16,520	527	1.63
QUALCOMM	10,610	555	1.71
Schlumberger	10,030	496	1.53
Target	7,560	507	1.57
Wells Fargo	7,460	335	1.03
		6,615	20.42
Portfolio of investments		31,836	98.26
Net other assets		563	1.74
Net assets		32,399	100.00

* Real Estate Investment Trust.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF ClearBridge US Equity Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
France 0.62% (0.21%)			
Industrial Goods & Services 0.62% (0.21%)			
Safran	2,240	224	0.62
		224	0.62
Germany 0.75% (0.00%)			
Industrial Engineering 0.75% (0.00%)			
KION	5,100	271	0.75
		271	0.75
Ireland 6.97% (7.18%)			
Automobiles & Parts 0.93% (1.67%)			
Adient	10,210	335	0.93
		335	0.93
Health Care 4.21% (3.57%)			
Allergan	10,342	1,518	4.21
		1,518	4.21
Industrial Goods & Services 1.83% (1.94%)			
Johnson Controls International	22,806	660	1.83
		660	1.83
Netherlands 2.82% (2.68%)			
Health Care 2.82% (2.68%)			
Mylan	33,586	1,015	2.82
		1,015	2.82
Switzerland 0.54% (0.00%)			
Industrial Engineering 0.54% (0.00%)			
ABB ADR	10,780	195	0.54
		195	0.54
United States 85.72% (87.72%)			
Banks 5.79% (6.21%)			
Citigroup	14,248	782	2.17
Wells Fargo	29,019	1,303	3.62
		2,085	5.79
Basic Resources 1.90% (1.95%)			
Royal Gold	11,646	683	1.90
		683	1.90
Construction & Materials 4.02% (3.18%)			
AECOM	20,827	537	1.49
Fluor	13,691	607	1.68
Owens Corning	7,070	308	0.85
		1,452	4.02
Financial Services 6.23% (7.53%)			
Intercontinental Exchange	14,328	834	2.31
Synchrony Financial	38,715	940	2.61

Legg Mason IF ClearBridge US Equity Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Voya Financial	12,212	471	1.31
		2,245	6.23
Food & Beverage 2.97% (3.09%)			
Molson Coors Brewing	7,603	391	1.08
Mondelez International	20,869	680	1.89
		1,071	2.97
Health Care 12.12% (7.85%)			
Alexion Pharmaceuticals	13,843	1,306	3.62
Biogen	1,000	271	0.75
Bristol-Myers Squibb	8,401	392	1.09
Celgene	13,071	947	2.63
Merck	13,810	727	2.02
Universal Health Services	7,287	723	2.01
		4,366	12.12
Industrial Goods & Services 3.88% (5.24%)			
CH Robinson Worldwide	7,582	557	1.55
General Motors	10,133	283	0.79
TransDigm	2,067	555	1.54
		1,395	3.88
Insurance 5.59% (8.06%)			
American International	24,360	1,004	2.79
Brighthouse Financial	13,168	419	1.16
MetLife	16,709	592	1.64
		2,015	5.59
Media 0.00% (1.04%)			
Oil & Gas 6.65% (5.46%)			
Apache	21,825	744	2.06
Devon Energy	27,347	906	2.51
Pioneer Natural Resources	5,585	750	2.08
		2,400	6.65
Personal & Household Goods 0.00% (1.07%)			
Real Estate 3.48% (3.72%)			
American Homes 4 Rent*	32,026	572	1.59
Realogy	41,508	682	1.89
		1,254	3.48
Retail 4.00% (6.12%)			
AutoZone	1,497	876	2.43
Lowe's	6,832	566	1.57
		1,442	4.00
Technology 20.84% (20.06%)			
Alphabet 'C'	2,378	2,263	6.28
Cisco Systems	20,382	738	2.05
International Business Machines	6,456	724	2.01
Microsoft	19,969	1,718	4.77
Oracle	36,867	1,370	3.80

Legg Mason IF ClearBridge US Equity Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
QUALCOMM	13,288	695	1.93
		7,508	20.84
Travel & Leisure 2.63% (2.86%)			
Delta Air Lines	14,391	646	1.79
Melco Resorts & Entertainment ADR	16,430	302	0.84
		948	2.63
Utilities 5.62% (4.28%)			
AES	91,549	978	2.71
Exelon	31,085	1,050	2.91
		2,028	5.62
Portfolio of investments		35,110	97.42
Net other assets		928	2.58
Net assets		36,038	100.00

* Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF ClearBridge US Equity Income Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
United States 95.99% (95.02%)			
Banks 7.95% (6.12%)			
Bank of America	24,001	571	1.54
JPMorgan Chase	9,767	864	2.34
PNC Financial Services	5,300	585	1.58
US Bancorp	12,863	534	1.45
Wells Fargo	8,563	384	1.04
		2,938	7.95
Basic Resources 1.30% (1.49%)			
International Paper	12,043	479	1.30
		479	1.30
Chemicals 6.18% (6.19%)			
DowDuPont	12,297	663	1.79
Ecolab	4,562	526	1.42
PPG Industries	6,585	560	1.52
Praxair	4,430	537	1.45
		2,286	6.18
Financial Services 6.67% (6.44%)			
Bank of New York Mellon	17,627	707	1.91
BlackRock	1,286	469	1.27
MasterCard	4,068	668	1.81
Visa	5,501	620	1.68
		2,464	6.67
Food & Beverage 10.89% (11.81%)			
Anheuser-Busch InBev ADR	4,725	347	0.94
Coca-Cola	16,819	581	1.57
McCormick	5,298	504	1.36
McDonald's	4,291	537	1.45
Mondelez International	16,710	545	1.48
Nestle ADR	12,565	805	2.18
PepsiCo	4,314	371	1.00
Sysco	5,923	337	0.91
		4,027	10.89
Health Care 8.33% (7.57%)			
Johnson & Johnson	8,668	899	2.43
Merck	15,124	796	2.15
Pfizer	15,347	489	1.32
UnitedHealth	2,571	530	1.43
Zoetis	5,329	368	1.00
		3,082	8.33
Industrial Goods & Services 10.97% (11.71%)			
3M	4,556	736	1.99
General Motors	19,177	536	1.45
Raytheon	3,851	589	1.59
Union Pacific	7,613	876	2.37
United Parcel Service	7,161	676	1.83
Waste Management	9,231	644	1.74
		4,057	10.97

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Insurance 6.54% (6.15%)			
Berkshire Hathaway	7,275	1,172	3.17
MetLife	19,427	689	1.86
Travelers	5,528	559	1.51
		2,420	6.54
Media 2.99% (4.36%)			
Comcast Class A Special	29,490	831	2.25
Walt Disney	3,201	275	0.74
		1,106	2.99
Oil & Gas 5.53% (5.12%)			
Exxon Mobil	7,349	455	1.23
Kinder Morgan	29,968	409	1.11
Schlumberger	12,135	600	1.62
Williams	25,392	579	1.57
		2,043	5.53
Personal & Household Goods 2.04% (2.71%)			
Procter & Gamble	11,782	755	2.04
		755	2.04
Real Estate 3.95% (3.91%)			
American Tower*	6,501	744	2.01
Healthcare Trust of America*	12,755	281	0.76
Weyerhaeuser*	16,441	437	1.18
		1,462	3.95
Retail 5.66% (5.15%)			
Costco Wholesale	2,319	411	1.11
Home Depot	6,879	1,053	2.85
Walmart	8,483	627	1.70
		2,091	5.66
Technology 11.69% (11.26%)			
Alphabet 'C'	747	711	1.92
Apple	6,132	1,060	2.87
Intel	6,171	229	0.62
Microsoft	15,710	1,351	3.65
Texas Instruments	11,231	971	2.63
		4,322	11.69
Telecommunications 2.66% (2.17%)			
AT&T	23,071	567	1.53
Verizon Communications	9,949	419	1.13
		986	2.66
Utilities 2.64% (2.86%)			
NextEra Energy	3,623	476	1.29
WEC Energy	9,558	498	1.35
		974	2.64

Legg Mason IF ClearBridge US Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Canada 2.41% (1.37%)			
Oil & Gas 2.41% (1.37%)			
Enbridge	29,047	775	2.10
Suncor Energy	3,520	113	0.31
		888	2.41
Ireland 0.00% (0.59%)			
Industrial Goods & Services 0.00% (0.59%)			
Hedge Share Class Derivatives 0.02% ((0.01%))			
US Dollar Derivatives 0.02% ((0.01%))			
Forward Currency Contract 0.02% ((0.01%))			
Forward to sell CAD326 for GBP195 Settlement 28/09/2018		0	0.00
Forward to sell USD952,372 for GBP738,084 Settlement 28/09/2018		6	0.02
		6	0.02
Portfolio of investments		36,386	98.42
Net other assets		585	1.58
Net assets		36,971	100.00

* Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Japan Equity Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Financial Services 7.97% (10.49%)			
M&A Capital Partners	170,000	7,914	0.71
Nihon M&A Center	4,000,000	80,642	7.26
		88,556	7.97
Health Care 17.35% (20.57%)			
Asahi Intecc	900,000	26,362	2.37
Ci Medical	45,000	2,170	0.20
CYBERDYNE	2,300,000	13,937	1.25
JCR Pharmaceuticals	135,000	5,602	0.50
N Field	900,000	11,037	0.99
PeptiDream	2,100,000	63,040	5.67
Ship Healthcare	500,000	14,794	1.33
Solasto	700,000	6,191	0.56
Sosei	900,000	10,545	0.95
Takara Bio	1,000,000	19,166	1.73
Terumo	250,000	10,592	0.95
Tsukui	1,300,000	9,489	0.85
		192,925	17.35
Industrial Goods & Services 25.54% (24.43%)			
Benefit One	1,260,000	27,691	2.49
Dip	610,000	11,184	1.01
en-japan	1,050,000	37,911	3.41
FULLCAST	350,000	6,554	0.59
GMO Payment Gateway	500,000	45,781	4.12
MonotaRO	800,000	34,892	3.14
Outsourcing	3,500,000	50,608	4.56
Persol	1,400,000	24,097	2.17
SMS	2,600,000	37,985	3.42
TKP	260,000	6,961	0.63
		283,664	25.54
Insurance 0.91% (0.73%)			
Anicom	390,000	10,129	0.91
		10,129	0.91
Media 7.60% (6.50%)			
M3	2,300,000	77,927	7.01
Vector	370,000	6,500	0.59
		84,427	7.60
Personal & Household Goods 8.28% (6.01%)			
Fancl	500,000	19,734	1.78
Goldwin	110,000	5,866	0.53
Nintendo	165,000	45,860	4.13
Pigeon	550,000	20,389	1.84
		91,849	8.28
Real Estate 2.47% (1.96%)			
Relo	1,300,000	27,442	2.47
		27,442	2.47

Legg Mason IF Japan Equity Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Retail 16.96% (15.09%)			
Don Quijote	1,150,000	43,042	3.87
Kusuri no Aoki	440,000	24,744	2.23
Start Today	2,300,000	60,974	5.49
Tsuruha	295,000	25,955	2.34
Welcia	950,000	33,712	3.03
		188,427	16.96
Technology 6.11% (7.00%)			
Digital Arts	460,000	16,127	1.45
Digital Hearts	700,000	7,193	0.65
Medical Data Vision	700,000	9,206	0.83
UT	800,000	20,559	1.85
ZIGExN	2,600,000	14,765	1.33
		67,850	6.11
Telecommunications 0.62% (0.00%)			
Vision	210,000	6,889	0.62
		6,889	0.62
Travel & Leisure 5.90% (6.49%)			
Oriental Land	290,000	23,928	2.15
Round One	1,430,000	14,475	1.30
Toridoll	700,000	12,192	1.10
Tosho	500,000	14,954	1.35
		65,549	5.90
Hedged Share Class Derivatives 0.12% ((0.13%))			
Forward to sell JPY30,379,591,929 for GBP212,379,351 Settlement 28/09/2018		1,342	0.12
Forward to sell JPY486,525,052 for GBP3,401,227 Settlement 28/09/2018		21	–
		1,363	0.12
Portfolio of investments			
Net other assets		1,109,070	99.83
		1,897	0.17
Net assets			
		1,110,967	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Martin Currie Asia Pacific Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Australia 13.64% (12.76%)			
Aurizon	136,150	318	0.74
Commonwealth Bank of Australia	34,873	1,380	3.22
Macquarie	23,625	1,699	3.96
Oil Search	104,379	519	1.21
Orora	470,029	921	2.15
Woolworths	64,640	1,015	2.36
		5,852	13.64
China 31.63% (32.91%)			
Alibaba ADR	20,801	2,788	6.50
China Construction Bank	2,107,910	1,432	3.34
China Machinery Engineering	960,000	358	0.83
China Mobile	130,500	943	2.20
China Unicom Hong Kong	520,000	464	1.08
CNOOC	1,300,000	1,767	4.12
ENN Energy	72,000	504	1.17
Industrial & Commercial Bank of China	1,317,000	745	1.74
Li Ning	936,500	757	1.76
MINTH	2,000	6	0.01
Tencent	73,300	2,440	5.69
TravelSky Technology	217,000	427	0.99
Zhejiang Expressway	760,000	463	1.08
Zhuzhou CRRC Times Electric	115,800	480	1.12
		13,574	31.63
Hong Kong 10.23% (7.67%)			
AIA	332,600	2,204	5.14
Dairy Farm International	94,900	675	1.57
Guangdong Investment	626,000	852	1.99
Sino Land	506,600	659	1.53
		4,390	10.23
India 10.24% (10.39%)			
HDFC Bank	7,533	168	0.39
HDFC Bank ADR	5,444	421	0.98
Hero MotoCorp	20,751	733	1.71
Infosys	87,815	1,371	3.19
IRB Infrastructure Developers	288,028	594	1.38
Maruti Suzuki India	6,143	606	1.41
Vakrangee	332,311	138	0.32
Welspun India	447,200	367	0.86
		4,398	10.24
Indonesia 1.90% (2.33%)			
Matahari Department Store	798,200	312	0.73
Semen Indonesia	1,018,400	500	1.17
		812	1.90
Malaysia 1.59% (1.32%)			
Genting	422,900	682	1.59
		682	1.59
Singapore 4.88% (4.34%)			
Singapore Technologies Engineering	351,900	658	1.53
United Overseas Bank	94,777	1,436	3.35
		2,094	4.88

Legg Mason IF Martin Currie Asia Pacific Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
South Korea 14.10% (13.90%)			
Com2uS	4,852	521	1.21
Coway	11,901	750	1.75
Innocean Worldwide	14,612	589	1.37
LG Chem	3,158	795	1.85
LG Household & Health Care	1,089	951	2.22
Samsung Electronics	73,387	2,448	5.70
		6,054	14.10
Taiwan 5.86% (6.54%)			
E.Sun Financial	2,010,960	1,135	2.64
Taiwan Semiconductor Manufacturing	216,000	1,380	3.22
		2,515	5.86
Thailand 1.37% (1.43%)			
Kasikornbank Foreign Shares	118,200	589	1.37
		589	1.37
United Kingdom 1.91% (1.96%)			
HSBC	121,600	820	1.91
		820	1.91
United States 1.19% (1.39%)			
Samsonite International	165,300	511	1.19
		511	1.19
Portfolio of investments			
Net other assets		42,291	98.54
		625	1.46
Net assets			
		42,916	100.00

Stocks shown as ADRs represent American Depositary Receipts.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Martin Currie China Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
China 66.68% (68.33%)			
Banks 13.00% (11.47%)			
Bank of China	412,000	142	2.90
China Construction Bank	403,350	274	5.59
Industrial & Commercial Bank of China	390,950	221	4.51
		637	13.00
Basic Resources 0.55% (1.03%)			
China Molybdenum	86,000	27	0.55
		27	0.55
Food & Beverage 1.57% (0.00%)			
Tingyi Cayman Islands	56,000	77	1.57
		77	1.57
Health Care 4.57% (5.15%)			
CSPC Pharmaceutical	42,000	82	1.67
Wuxi Biologics Cayman	15,500	117	2.39
Zai Lab ADR	1,400	25	0.51
		224	4.57
Insurance 5.61% (5.88%)			
China Life Insurance	39,000	68	1.39
Ping An Insurance	28,000	207	4.22
		275	5.61
Oil & Gas 5.29% (3.54%)			
China Conch Venture	44,500	118	2.41
CNOOC	104,000	141	2.88
		259	5.29
Personal & Household Goods 0.80% (0.00%)			
JNBY Design	30,000	39	0.80
		39	0.80
Real Estate 2.14% (2.53%)			
Agile	26,000	33	0.67
China Evergrande	26,000	72	1.47
		105	2.14
Retail 10.36% (15.22%)			
Alibaba ADR	3,383	453	9.24
New Oriental Education & Technology ADR	900	55	1.12
		508	10.36
Technology 17.17% (15.96%)			
Baidu ADR	1,100	189	3.86
NetEase ADR	549	82	1.67
Tencent	13,500	450	9.18
Xiaomi	35,800	59	1.21
Yangtze Optical Fibre and Cable Joint Stock	23,500	61	1.25
		841	17.17

Legg Mason IF Martin Currie China Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Travel & Leisure 1.10% (1.66%)			
Ctrip.com International ADR	1,800	54	1.10
		54	1.10
Utilities 6.09% (5.89%)			
AAC Technologies	5,000	43	0.88
ENN Energy	13,000	91	1.86
Huaneng Power	146,000	72	1.47
MINTH	16,000	50	1.02
Sunny Optical Technology	4,300	42	0.86
		298	6.09
Hong Kong 27.30% (30.41%)			
Automobiles & Parts 1.20% (1.59%)			
Xinyi Glass	62,000	59	1.20
		59	1.20
Financial Services 2.18% (6.21%)			
Hong Kong Exchanges and Clearing	4,900	107	2.18
		107	2.18
Basic Resources 0.51% (0.97%)			
MMG	64,000	25	0.51
		25	0.51
Construction & Materials 0.00% (0.71%)			
Food & Beverage 2.80% (0.00%)			
Foshan Haitian Flavouring	9,900	76	1.55
H&H	12,500	61	1.25
		137	2.80
Health Care 0.00% (1.96%)			
Industrial Goods & Services 4.90% (3.54%)			
CIMC Enric	82,000	58	1.18
CK Hutchison	20,576	182	3.72
		240	4.90
Insurance 8.12% (6.67%)			
AIA	60,000	398	8.12
		398	8.12
Personal & Household Goods 1.14% (1.22%)			
Haier Electronics	28,000	56	1.14
		56	1.14
Real Estate 1.51% (1.89%)			
CK Asset	13,576	74	1.51
		74	1.51

Legg Mason IF Martin Currie China Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Technology 1.10% (1.19%)			
ASM Pacific Technology	6,700	54	1.10
		54	1.10
Telecommunications 3.84% (1.91%)			
China Mobile	26,000	188	3.84
		188	3.84
Travel & Leisure 0.00% (1.43%)			
Utilities 0.00% (1.12%)			
Portfolio of investments		4,682	95.55
Net other assets		218	4.45
Net assets		4,900	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Stocks shown as ADRs represent American Depositary Receipt.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Martin Currie Emerging Markets Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Brazil 3.64% (5.22%)			
Cosan	44,859	225	1.03
Itau Unibanco Preference Shares	40,270	311	1.42
MRV Engenharia e Participacoes	68,800	163	0.74
Wilson Sons BDR	12,366	99	0.45
		798	3.64
China 27.83% (27.96%)			
AIA	76,901	509	2.32
Alibaba ADR	10,739	1,440	6.57
Brilliance China Automotive Holdings	218,000	265	1.21
China Gas	151,677	370	1.69
CNOOC	389,427	529	2.41
Industrial & Commercial Bank of China	1,602,151	907	4.14
Minth	8,000	25	0.11
Shanghai Fosun Pharmaceutical	97,000	301	1.37
Sunny Optical Technology	30,200	295	1.35
Tencent	43,864	1,460	6.66
		6,101	27.83
Hungary 2.48% (2.69%)			
OTP Bank	19,287	543	2.48
		543	2.48
India 10.68% (10.28%)			
Asian Paints	17,499	260	1.19
HDFC Bank	16,974	379	1.73
Maruti Suzuki India	5,988	591	2.70
Titan	45,621	441	2.01
UltraTech Cement	5,741	278	1.27
Yes Bank	105,147	391	1.78
		2,340	10.68
Indonesia 2.14% (2.28%)			
Bank Rakyat Indonesia	1,788,335	296	1.35
Tower Bersama Infrastructure	597,787	173	0.79
		469	2.14
Ireland 0.00% (1.59%)			
Malaysia 1.65% (1.55%)			
Genting Malaysia	371,761	362	1.65
		362	1.65
Mexico 4.09% (3.42%)			
Grupo Financiero Banorte	70,869	371	1.69
Infraestructura Energetica Nova	68,297	244	1.11
Mexichem	109,466	282	1.29
		897	4.09
Peru 4.07% (3.89%)			
Credicorp	3,456	575	2.62
Southern Copper	9,462	317	1.45
		892	4.07

Legg Mason IF Martin Currie Emerging Markets Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Philippines 0.83% (0.86%)			
Robinsons Retail	156,229	182	0.83
		182	0.83
Russia 3.26% (3.75%)			
Lukoil ADR	8,565	455	2.08
Sberbank of Russia ADR	31,297	259	1.18
		714	3.26
South Africa 6.41% (7.68%)			
Aspen Pharmacare	18,005	276	1.26
Naspers	5,685	975	4.45
Woolworths South Africa	54,023	154	0.70
		1,405	6.41
South Korea 15.99% (13.13%)			
LG Chem	2,382	600	2.74
LG Household & Health Care	343	300	1.37
Samsung Electronics	55,164	1,840	8.40
Samsung SDI	1,651	269	1.23
SK Hynix	8,604	492	2.25
		3,501	15.99
Taiwan 12.95% (11.23%)			
CTBC Financial	595,911	320	1.46
Delta Electronics	54,152	166	0.76
Globalwafers	16,000	157	0.72
Largan Precision	1,975	232	1.06
St Shine Optical	14,835	248	1.13
Taiwan Semiconductor Manufacturing	268,125	1,713	7.82
		2,836	12.95
Turkey 0.84% (2.05%)			
Akbank Turk	108,214	73	0.33
Turkcell Iletisim Hizmetleri	88,474	112	0.51
		185	0.84
United States 2.49% (1.75%)			
EPAM Systems	4,928	545	2.49
		545	2.49
Portfolio of investments		21,770	99.35
Net other assets		142	0.65
Net assets		21,912	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Stock shown as ADRs represent American Depositary Receipt.

Legg Mason IF Martin Currie European Equity Income Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Austria 1.48% (1.55%)			
Palfinger	8,468	233	1.48
		233	1.48
Denmark 0.00% (2.27%)			
Finland 3.54% (3.46%)			
Nokia	66,953	290	1.85
Sampo	6,692	265	1.69
		555	3.54
France 20.58% (20.50%)			
Airbus	5,036	482	3.07
BNP Paribas	11,444	521	3.32
Saint-Gobain	9,288	310	1.97
Sanofi	9,189	610	3.88
Schneider Electric	6,373	402	2.56
TOTAL	12,606	612	3.90
Unibail-Rodamco*	1,822	296	1.88
		3,233	20.58
Germany 25.49% (23.42%)			
Allianz	3,343	554	3.53
BASF	8,816	634	4.04
Bayer	6,127	447	2.84
Continental	1,483	211	1.34
Daimler	6,251	315	2.00
Deutsche Post	12,901	364	2.32
Deutsche Telekom	44,686	561	3.57
Deutsche Wohnen	9,338	364	2.32
ProSiebenSat.1 Media	12,421	252	1.60
TUI	21,179	303	1.93
		4,005	25.49
Italy 8.75% (8.74%)			
Eni	34,126	491	3.13
Intesa Sanpaolo	204,531	394	2.51
Mediobanca	30,003	219	1.39
Terna Rete Elettrica Nazionale	66,782	271	1.72
		1,375	8.75
Netherlands 12.03% (12.47%)			
Flow Traders	12,606	288	1.83
ING	45,962	482	3.07
Koninklijke DSM	3,502	285	1.81
Royal Dutch Shell	7,213	182	1.16
Unilever	14,689	653	4.16
		1,890	12.03
Norway 3.83% (4.15%)			
DNB	18,976	300	1.91
Orkla	47,378	302	1.92
		602	3.83

Legg Mason IF Martin Currie European Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Spain 2.07% (2.26%)			
Telefonica	51,874	326	2.07
		326	2.07
Sweden 4.23% (4.07%)			
Hennes & Mauritz	13,370	140	0.89
Kinnevik	9,987	257	1.64
Modern Times	475	13	0.08
Securitas	18,531	254	1.62
		664	4.23
Switzerland 13.04% (11.84%)			
Nestle	15,169	979	6.23
Novartis	5,417	348	2.21
Roche	3,760	722	4.60
		2,049	13.04
Portfolio of investments		14,932	95.04
Net other assets		780	4.96
Net assets		15,712	100.00

* Real Estate Investment Trust.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Martin Currie Global Equity Income Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Australia 2.03% (4.27%)			
Transurban	504,655	3,385	2.03
		3,385	2.03
Canada 6.97% (8.33%)			
BCE	114,800	3,640	2.18
Manulife Financial	264,600	3,784	2.27
Suncor Energy	130,900	4,194	2.52
		11,618	6.97
China 1.56% (1.01%)			
Shanghai Fosun Pharmaceutical	838,000	2,598	1.56
		2,598	1.56
France 8.13% (6.84%)			
Airbus	44,579	4,268	2.56
Sanofi	84,470	5,611	3.37
Schneider Electric	58,213	3,669	2.20
		13,548	8.13
Germany 3.52% (4.07%)			
Continental	15,536	2,212	1.33
Deutsche Telekom	290,206	3,645	2.19
		5,857	3.52
Ireland 2.31% (2.24%)			
Eaton	60,400	3,842	2.31
		3,842	2.31
Italy 0.00% (2.03%)			
Netherlands 6.49% (6.87%)			
Akzo Nobel	44,425	3,211	1.93
Koninklijke DSM	50,220	4,089	2.45
Unilever	79,002	3,514	2.11
		10,814	6.49
Peru 1.31% (1.98%)			
Credicorp	13,100	2,179	1.31
		2,179	1.31
Singapore 1.79% (1.88%)			
United Overseas Bank	197,300	2,990	1.79
		2,990	1.79
South Korea 1.03% (1.05%)			
Samsung Electronics Preference Shares	62,850	1,720	1.03
		1,720	1.03
Sweden 2.04% (1.94%)			
Securitas	248,678	3,405	2.04
		3,405	2.04

Legg Mason IF Martin Currie Global Equity Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Switzerland 4.41% (4.53%)			
Cie Financiere Richemont	48,500	3,298	1.98
Zurich Insurance	17,150	4,044	2.43
		7,342	4.41
Taiwan 2.35% (2.32%)			
Taiwan Semiconductor Manufacturing ADR	117,178	3,914	2.35
		3,914	2.35
United Kingdom 11.04% (10.36%)			
Britvic	419,421	3,420	2.05
DS Smith	748,331	3,726	2.24
Hastings	758,640	2,067	1.24
HSBC	434,176	2,912	1.75
Kingfisher	896,275	2,469	1.48
SSE	300,037	3,797	2.28
		18,391	11.04
United States 40.96% (37.09%)			
3M	13,302	2,148	1.29
Air Products & Chemicals	33,948	4,348	2.61
Apple	20,694	3,578	2.15
BB&T	82,626	3,270	1.96
Blackstone	122,100	3,460	2.07
Chevron	42,804	3,940	2.36
Crown Castle International*	44,500	3,891	2.34
Huntington Bancshares	342,199	4,277	2.56
International Paper	75,100	2,984	1.79
Leggett & Platt	96,131	3,362	2.02
Merck	123,107	6,481	3.89
Microsoft	86,627	7,451	4.47
Occidental Petroleum	59,700	3,674	2.21
Paychex	36,200	2,027	1.22
Philip Morris International	44,017	2,658	1.60
Procter & Gamble	56,145	3,599	2.16
VF	40,132	2,813	1.69
WEC Energy	81,971	4,274	2.57
		68,235	40.96
Options (0.09%) ((0.17%))			
Lockheed Martin September 2018	(12,200)	(46)	(0.03)
Prudential November 2018	(145,000)	(104)	(0.06)
		(150)	(0.09)
Portfolio of investments		159,688	95.85
Net other assets		6,911	4.15
Net assets		166,599	100.00

* Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Martin Currie Japan Alpha Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Automobiles & Parts 6.68% (6.19%)*			
Suzuki Motor	80,600	4,030	4.04
Toyota Industries	60,400	2,628	2.64
		6,658	6.68
Banks 10.46% (9.87%)			
Bank of Kyoto	31,400	1,217	1.22
Mitsubishi UFJ Financial	622,171	2,889	2.90
Resona	788,900	3,441	3.45
Sumitomo Mitsui Financial	95,000	2,882	2.89
		10,429	10.46
Basic Resources 2.18% (0.00%)			
Sumitomo Metal Mining	87,600	2,176	2.18
		2,176	2.18
Chemicals 4.41% (2.12%)			
Kansai Paint	114,800	1,748	1.75
Kanto Denka Kogyo	154,200	1,254	1.26
Sumitomo Bakelite	184,000	1,395	1.40
		4,397	4.41
Construction & Materials 8.88% (9.34%)*			
Daikin Industries	16,900	1,657	1.66
Lixil	61,500	928	0.93
Mirait	178,400	2,151	2.16
Nippo	76,500	1,092	1.10
SHO-BOND	36,900	1,992	2.00
Takuma	108,600	1,031	1.03
		8,851	8.88
Financial services 3.02% (4.33%)			
Orix	243,600	3,014	3.02
		3,014	3.02
Health Care 2.09% (2.53%)			
Ship Healthcare	70,600	2,089	2.09
		2,089	2.09
Industrial Goods & Services 19.15% (21.98%)*			
Disco	7,300	1,003	1.01
Ebara	71,200	1,870	1.87
Hirano Tecseed	49,400	777	0.78
Iriso Electronics	32,400	1,404	1.41
Isuzu Motors	223,600	2,486	2.49
Keyence	6,300	2,738	2.75
Koa	85,400	1,318	1.32
Kurita Water Industries	74,100	1,692	1.70
Mitsubishi Electric	98,800	1,025	1.03
Raksul	41,900	842	0.84
Secom	16,200	1,026	1.03
Toshiba Plant Systems & Services	86,900	1,446	1.45
Yumeshin	179,000	1,461	1.47
		19,088	19.15

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Insurance 2.77% (2.00%)*			
Japan Post	302,100	2,764	2.77
		2,764	2.77
Media 2.03% (0.00%)			
Tokyo Broadcasting System	124,900	2,027	2.03
		2,027	2.03
Oil & Gas 1.75% (0.00%)			
Japan Petroleum Exploration	106,600	1,746	1.75
		1,746	1.75
Personal & Household Goods 11.43% (5.55%)*			
Daivva House Industry	73,000	1,712	1.72
Fujitsu General	82,900	1,053	1.06
Kao	25,800	1,541	1.55
MTG	7,700	354	0.36
Sony	85,900	3,771	3.78
Yamaha	80,600	2,956	2.96
		11,387	11.43
Retail 6.80% (11.22%)			
Don Quijote	60,200	2,253	2.26
Nitori	8,600	1,006	1.01
Start Today	99,600	2,641	2.65
Sundrug	31,900	881	0.88
		6,781	6.80
Technology 10.26% (10.26%)			
Canon	87,500	2,159	2.16
Lasertec	71,800	2,052	2.06
Oracle Japan	33,700	2,176	2.18
Rohm	14,100	976	0.98
Trend Micro	59,300	2,871	2.88
		10,234	10.26
Telecommunications 1.83% (4.03%)			
NTT DoCoMo	91,500	1,829	1.83
		1,829	1.83
Travel & Leisure 2.92% (2.93%)			
Japan Airlines	104,800	2,909	2.92
		2,909	2.92
Utilities 2.32% (7.44%)*			
Nippon Gas	63,600	2,314	2.32
		2,314	2.32

Legg Mason IF Martin Currie Japan Alpha Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Foreign Forward Currency Contracts 0.11% ((0.11%))			
Forward to sell JPY2,481,209,571 for GBP17,345,779 Settlement 28/09/2018		110	0.11
		110	0.11
Portfolio of investments		98,803	99.09
Net other assets		905	0.91
Net assets		99,708	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

* Comparative figures have been restated.

Legg Mason IF Martin Currie North American Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
United States 91.16% (87.94%)			
Aerospace & Defence 2.26% (3.64%)			
Hexcel	58,596	2,985	2.26
		2,985	2.26
Banks 3.83% (4.78%)			
Bank OZK	87,411	2,702	2.04
PNC Financial Services	21,431	2,367	1.79
		5,069	3.83
Chemicals 2.47% (2.91%)			
Ecolab	28,339	3,269	2.47
		3,269	2.47
Electronic & Electrical Equipment 4.04% (0.00%)			
Agilent Technologies	65,387	3,379	2.56
Mettler-Toledo International	4,406	1,963	1.48
		5,342	4.04
Financial services 12.47% (11.35%)			
Blackstone	130,070	3,686	2.79
MasterCard	22,152	3,638	2.75
S&P Global	22,951	3,627	2.74
Visa	48,970	5,523	4.19
		16,474	12.47
Fixed Line Telecommunications 2.04% (1.80%)			
Verizon Communications	64,138	2,698	2.04
		2,698	2.04
Food & Drug Retailers 2.02% (2.20%)			
AmerisourceBergen	38,511	2,666	2.02
		2,666	2.02
Gas, Water & Multiutilities 3.55% (3.76%)			
Sempra Energy	14,332	1,285	0.97
WEC Energy	65,403	3,410	2.58
		4,695	3.55
General Industrials 0.00% (2.40%)			
General Retailers 4.16% (3.81%)			
Amazon.com	3,581	5,506	4.16
		5,506	4.16
Health Care Equipment & Services 9.90% (8.55%)			
Cooper	13,245	2,685	2.03
HCA	39,108	3,961	2.99
Healthcare Services	80,037	2,526	1.91
UnitedHealth	19,033	3,922	2.97
		13,094	9.90

Legg Mason IF Martin Currie North American Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Household Goods & Home Constructions 1.58% (1.76%)			
Procter & Gamble	32,607	2,090	1.58
		2,090	1.58
Industrial Engineering 3.67% (4.00%)			
Caterpillar	15,851	1,692	1.28
Rockwell Automation	23,134	3,164	2.39
		4,856	3.67
Oil & Gas Producers 6.96% (7.44%)			
Chevron	20,618	1,898	1.43
EOG Resources	42,522	3,884	2.94
Pioneer Natural Resources	25,509	3,424	2.59
		9,206	6.96
Personal Goods 6.87% (5.62%)			
Electronic Arts	32,152	2,862	2.16
Estee Lauder	27,658	2,965	2.24
NIKE	52,313	3,269	2.47
		9,096	6.87
Pharmaceuticals & Biotechnology 2.31% (2.06%)			
Pfizer	95,642	3,050	2.31
		3,050	2.31
Software & Computer Services 7.71% (6.92%)*			
Alphabet	4,719	4,546	3.44
Cognizant Technology Solutions	30,129	1,791	1.35
EPAM Systems	34,967	3,868	2.92
		10,205	7.71
Support Services 6.09% (5.03%)			
Automatic Data Processing	42,438	4,742	3.59
Fiserv	54,123	3,308	2.50
		8,050	6.09
Technology Hardware & Equipment 3.19% (3.10%)			
Apple	24,414	4,221	3.19
		4,221	3.19
Tobacco 1.76% (2.35%)			
Philip Morris International	38,617	2,332	1.76
		2,332	1.76
Travel & Leisure 4.28% (4.46%)*			
Booking	1,350	2,017	1.52
Starbucks	89,482	3,651	2.76
		5,668	4.28

Legg Mason IF Martin Currie North American Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Canada 5.04% (5.89%)			
Banks 2.55% (2.55%)			
National Bank of Canada	87,501	3,369	2.55
		3,369	2.55
Software & Computer Services 2.49% (3.34%)			
Constellation Software	5,662	3,296	2.49
		3,296	2.49
Ireland 2.71% (2.63%)			
Support Services 2.71% (2.63%)			
Accenture	27,678	3,587	2.71
		3,587	2.71
United Kingdom 0.00% (2.67%)			
Hedge Share Class Derivatives 0.00% (0.00%)			
Canadian Dollar Derivatives 0.00% (0.00%)			
Forward to sell CAD33,040 for GBP19,827 Settlement 28/09/2018		0	0.00
		0	0.00
US Dollar Derivatives 0.00% (0.00%)			
Forward to sell USD478,758 for GBP371,036 Settlement 28/09/2018		3	0.00
		3	0.00
Portfolio of investments		130,827	98.91
Net other assets		1,448	1.09
Net assets		132,275	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

* Since the previous report industry classifications have been updated. Comparative figures have been updated where appropriate.

Legg Mason IF QS Emerging Markets Equity Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Brazil 0.00% (2.95%)			
Chile 0.00% (2.23%)			
China 0.00% (14.03%)			
China Huishan Dairy*	7,000	—	—
		—	—
		—	—
Colombia 0.00% (0.60%)			
Czech Republic 0.00% (0.82%)			
Egypt 0.00% (0.60%)			
Greece 0.00% (0.74%)			
Hong Kong 0.00% (5.09%)			
Hanergy Thin Film Power*	32,000	—	—
		—	—
		—	—
Hungary 0.00% (1.66%)			
India 0.00% (7.69%)			
Indonesia 0.00% (8.98%)			
Malaysia 0.00% (8.84%)			
Mexico 0.00% (3.60%)			
Peru 0.00% (0.57%)			
Philippines 0.00% (4.55%)			
Poland 0.00% (3.12%)			
Republic of Korea 0.00% (5.38%)			
Romania 0.00% (0.20%)			
Russia 0.00% (5.40%)			
South Africa 0.00% (8.21%)			
Taiwan 0.00% (4.00%)			
Thailand 0.00% (4.72%)			
Turkey 0.00% (4.97%)			
United States 0.00% (0.34%)			
Portfolio of investments		—	—
Net other assets		—	—
Net assets		—	—
		==	==

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

* Suspended.

Legg Mason IF QS UK Equity Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Banks 4.97% (5.59%)			
HSBC	155,344	1,042	3.08
Lloyds Banking	1,077,282	640	1.89
		1,682	4.97
Basic resources 3.09% (3.35%)			
Rio Tinto	28,373	1,044	3.09
		1,044	3.09
Chemicals 0.54% (0.44%)			
Victrex	5,756	184	0.54
		184	0.54
Financial Services 3.39% (3.41%)			
IG	126,000	1,147	3.39
		1,147	3.39
Food & Beverage 6.55% (5.89%)			
Diageo	51,753	1,398	4.14
Tate & Lyle	121,595	815	2.41
		2,213	6.55
Health Care 3.51% (3.00%)			
GlaxoSmithKline	67,482	1,064	3.15
Smith & Nephew	8,927	122	0.36
		1,186	3.51
Industrial Goods & Services 12.55% (12.86%)			
BAE Systems	45,152	275	0.81
BBA Aviation	37,372	116	0.34
DS Smith	153,667	765	2.27
G4S	75,783	190	0.56
Hill & Smith	9,480	102	0.30
Kier	28,238	271	0.80
Meggitt	121,969	658	1.95
Mitie	119,100	176	0.52
PayPoint	51,382	478	1.42
Royal Mail	185,522	838	2.48
RPS	31,324	76	0.23
Ultra Electronics	18,212	294	0.87
		4,239	12.55
Insurance 6.29% (6.94%)			
Aviva	50,422	248	0.73
Direct Line Insurance	307,086	1,022	3.03
Jardine Lloyd Thompson	6,245	90	0.27
Legal & General	298,153	764	2.26
		2,124	6.29
Media 2.60% (2.61%)			
Moneysupermarket.com	71,971	206	0.61
RELX	11,705	201	0.60
WPP	36,626	471	1.39
		878	2.60

Legg Mason IF QS UK Equity Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Oil & Gas 9.61% (8.56%)			
BP	233,269	1,284	3.80
Petrofac	34,028	220	0.65
Royal Dutch Shell 'A'	16,266	411	1.22
Royal Dutch Shell 'B'	51,815	1,332	3.94
		3,247	9.61
Personal & Household Goods 12.56% (13.07%)			
Barratt Developments	118,878	649	1.92
Bellway	5,407	159	0.47
Berkeley	4,815	176	0.52
British American Tobacco	18,994	714	2.10
Galliford Try	26,405	259	0.77
Imperial Tobacco	27,705	766	2.27
Persimmon	31,998	787	2.33
Reckitt Benckiser	2,501	165	0.49
Taylor Wimpey	337,418	570	1.69
		4,245	12.56
Retail 8.42% (8.75%)			
Kingfisher	107,746	297	0.88
Marks & Spencer	86,260	261	0.77
Next	9,695	535	1.58
Tesco	93,756	231	0.69
WH Smith	30,946	642	1.90
Wm Morrison Supermarkets	329,638	879	2.60
		2,845	8.42
Technology 1.93% (1.59%)			
Computacenter	47,999	652	1.93
		652	1.93
Telecommunications 1.81% (2.48%)			
BT	75,573	166	0.49
TalkTalk Telecom	230,587	294	0.87
Vodafone	90,527	151	0.45
		611	1.81
Travel & Leisure 10.40% (10.38%)			
Carnival	13,845	643	1.90
Cineworld	19,026	58	0.17
Go-Ahead	31,672	539	1.60
International Consolidated Airlines	74,770	519	1.54
Marston's	299,895	278	0.82
National Express	219,000	874	2.59
Restaurant	43,561	127	0.38
Stagecoach	102,212	167	0.49
William Hill	119,639	308	0.91
		3,513	10.40
Utilities 10.97% (10.74%)			
Centrica	462,310	670	1.98
National Grid	94,445	769	2.28
Pennon	24,385	189	0.56
Severn Trent	38,500	774	2.29
SSE	74,023	937	2.77

Legg Mason IF QS UK Equity Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
United Utilities	49,100	367	1.09
		3,706	10.97
Portfolio of investments		33,516	99.19
Net other assets		273	0.81
Net assets		33,789	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF RARE Global Infrastructure Income Fund

Portfolio Statement (unaudited)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Australia 13.32% (13.05%)			
APA	2,168,059	12,046	3.16
AusNet Services	8,787,164	8,047	2.11
Spark Infrastructure	14,835,325	19,799	5.19
Transurban	1,626,288	10,910	2.86
		50,802	13.32
Brazil 5.63% (11.84%)			
Cia de Transmissao de Energia Eletrica Paulista Preference Shares	569,900	6,031	1.58
Transmissora Alianca De Energia Eletrica	4,227,900	15,451	4.05
		21,482	5.63
Canada 15.77% (12.06%)			
AltaGas	495,223	7,203	1.89
Emera	574,320	14,060	3.69
Enbridge	960,580	25,615	6.72
Gibson Energy	827,307	9,608	2.52
TransCanada	109,353	3,637	0.95
		60,123	15.77
China 0.00% (1.08%)			
France 3.05% (3.08%)			
Eutelsat Communications	632,358	11,625	3.05
		11,625	3.05
Hong Kong 2.59% (1.74%)			
China Merchants Port	6,286,000	9,859	2.59
		9,859	2.59
Italy 7.59% (6.83%)			
Atlantia	1,097,057	17,865	4.69
Italgas	1,111,802	4,619	1.21
Snam	2,028,854	6,451	1.69
		28,935	7.59
Luxembourg 0.00% (3.88%)			
Mexico 2.34% (2.52%)			
CFE Capital*	12,796,137	8,901	2.34
		8,901	2.34
Spain 10.55% (16.14%)			
Atlantica Yield	519,078	8,150	2.14
Enagas	333,180	7,124	1.87
Iberdrola	2,639,149	15,187	3.98
Red Electrica Corporacion	602,893	9,766	2.56
		40,227	10.55
Thailand 2.30% (2.26%)			
Glow Energy Foreign Shares	3,983,300	8,774	2.30
		8,774	2.30

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
United Kingdom 12.22% (11.02%)			
National Grid	1,079,327	8,788	2.31
Pennon	1,233,514	9,562	2.51
SSE	987,015	12,491	3.28
United Utilities	2,098,617	15,689	4.12
		46,530	12.22
United States 21.13% (13.21%)			
Crown Castle International*	112,130	9,804	2.57
Dominion Energy	114,974	6,272	1.65
Duke Energy	29,942	1,872	0.49
Edison International	160,726	8,205	2.15
Kinder Morgan	472,341	6,452	1.69
NRG Yield	677,358	10,594	2.78
Pattern Energy	1,062,598	16,715	4.39
TerraForm Power	821,376	7,059	1.85
Williams	595,092	13,568	3.56
		80,541	21.13
Hedged Share Class Derivatives 0.31% ((0.08%))			
Euro Derivatives (0.01%) (0.00%)			
Forward to sell EUR16,608,500 for GBP14,897,742 Settlement 28/11/2018		(46)	(0.01)
Forward to buy EUR1,558,429 for GBP1,405,188 Settlement 28/11/2018		(3)	–
		(49)	(0.01)
US Dollar Derivatives 0.11% (0.03%)			
Forward to sell USD22,178,342 for GBP17,408,132 Settlement 28/11/2018		416	0.11
Forward to buy USD863,648 for GBP670,394 Settlement 28/11/2018		(9)	–
		407	0.11
Australian Dollar Derivatives 0.06% (0.01%)			
Forward to buy AUD711,180 for GBP401,456 Settlement 28/11/2018		(7)	–
Forward to sell AUD17,143,155 for GBP9,735,038 Settlement 28/11/2018		233	0.06
		226	0.06
Brazilian Real Derivatives 0.09% (0.03%)			
Forward to buy BRL331,169 for GBP62,393 Settlement 28/11/2018		(2)	–
Forward to sell BRL22,704,262 for GBP4,510,918 Settlement 28/11/2018		352	0.09
		350	0.09
Canadian Dollar Derivatives 0.04% (0.00%)			
Forward to buy CAD1,378,953 for GBP820,834 Settlement 28/11/2018		(7)	–
Forward to sell CAD20,257,047 for GBP12,106,473 Settlement 28/11/2018		150	0.04
		143	0.04
Hong Kong Dollar Derivatives 0.01% (0.00%)			
Forward to sell HKD19,724,300 for GBP1,975,703 Settlement 28/11/2018		48	0.01
		48	0.01
Mexican Peso Derivatives 0.01% (0.00%)			
Forward to buy MXN843,767 for GBP34,243 Settlement 28/11/2018		(1)	–
Forward to sell MXN41,717,357 for GBP1,674,420 Settlement 28/11/2018		26	0.01
		25	0.01

Legg Mason IF RARE Global Infrastructure Income Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Thailand Baht Derivatives 0.00% (0.01%)			
Forward to sell THB65,420,933 for GBP1,542,567 Settlement 28/11/2018		7	–
		7	–
Portfolio of investments		368,956	96.80
Net other assets		12,192	3.20
Net assets		381,148	100.00

* Real Estate Investment Trust.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Royce US Smaller Companies Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Bermuda 1.93% (1.92%)			
Financial Services 1.93% (1.92%)			
Lazard	120,929	4,434	1.93
		4,434	1.93
Canada 8.89% (8.29%)			
Construction & Materials 1.93% (1.02%)			
Stella-Jones	167,600	4,448	1.93
		4,448	1.93
Financial Services 2.49% (2.72%)			
Genworth MI Canada	220,560	5,733	2.49
		5,733	2.49
Industrial Goods & Services 1.88% (2.48%)			
Celestica	338,300	3,200	1.39
Ritchie Bros Auctioneers	38,300	1,124	0.49
		4,324	1.88
Oil & Gas 2.59% (2.07%)			
Pason Systems	469,200	5,959	2.59
		5,959	2.59
Denmark 0.67% (0.71%)			
Health Care 0.67% (0.71%)			
Zealand Pharma	137,430	1,541	0.67
		1,541	0.67
Israel 0.00% (0.05%)			
Mexico 1.43% (1.47%)			
Food & Beverage 1.43% (1.47%)			
Industrias Bachoco ADR	75,411	3,294	1.43
		3,294	1.43
Norway 1.40% (1.90%)			
Oil & Gas 1.40% (1.90%)			
TGS Nopec Geophysical	109,065	3,216	1.40
		3,216	1.40
Singapore 1.38% (1.47%)			
Technology 1.38% (1.47%)			
Kulicke & Soffa Industries	159,700	3,177	1.38
		3,177	1.38
Taiwan 0.97% (1.16%)			
Technology 0.97% (1.16%)			
Silicon Motion Technology ADR	49,400	2,237	0.97
		2,237	0.97

Legg Mason IF Royce US Smaller Companies Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Thailand 1.75% (2.46%)			
Industrial Goods & Services 1.75% (2.46%)			
Fabrinet	109,430	4,038	1.75
		4,038	1.75
United States 74.85% (73.67%)			
Automobiles & Parts 1.18% (2.58%)			
Gentex	77,670	1,402	0.61
Standard Motor Products	33,600	1,310	0.57
		2,712	1.18
Chemicals 2.95% (3.00%)			
Minerals Technologies	130,990	6,787	2.95
		6,787	2.95
Construction & Materials 6.09% (5.05%)			
American Woodmark	19,436	1,315	0.57
Apogee Enterprises	94,004	3,553	1.54
Gibraltar Industries	58,700	2,044	0.89
Goldfield	411,500	1,502	0.65
Sterling Construction	140,700	1,570	0.68
Valmont Industries	37,625	4,045	1.76
		14,029	6.09
Financial Services 10.49% (12.15%)			
Artisan Partners Asset Management	251,450	6,371	2.77
Federated Investors	85,469	1,499	0.65
Houlihan Lokey	118,848	4,296	1.86
Marcus & Millichap	147,190	4,112	1.79
PICO	118,755	1,118	0.49
ProAssurance	38,900	1,435	0.62
RLI	90,400	5,311	2.31
		24,142	10.49
Food & Beverage 2.60% (3.89%)			
Cal-Maine Foods	63,110	2,356	1.02
Lancaster Colony	12,000	1,430	0.62
Tootsie Roll Industries	99,849	2,218	0.96
		6,004	2.60
Health Care 2.87% (3.08%)			
Bio-Rad Laboratories	1,263	316	0.14
Bio-Techne	27,250	4,007	1.74
Eagle Pharmaceuticals	17,998	945	0.41
Lantheus	112,082	1,343	0.58
		6,611	2.87
Industrial Goods & Services 26.35% (23.25%)			
AMN Healthcare Services	27,200	1,211	0.53
CIRCOR International	187,493	6,505	2.82
Comfort Systems USA	14,911	650	0.28
Electro Scientific Industries	77,800	1,320	0.57
EnerSys	38,400	2,446	1.06
FARO Technologies	30,950	1,614	0.70
Greenbrier	137,900	6,160	2.67
Heidrick & Struggles International	43,400	1,471	0.64

Legg Mason IF Royce US Smaller Companies Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
John Bean Technologies	25,704	2,319	1.01
Kadant	30,100	2,332	1.01
Kimball Electronics	170,625	2,570	1.12
Landstar System	44,510	3,965	1.72
Lydall	43,747	1,433	0.62
Meritor	294,268	4,899	2.13
Methode Electronics	102,496	3,113	1.35
MSC Industrial Direct	19,360	1,272	0.55
RBC Bearings	11,400	1,308	0.57
Saia	36,865	2,237	0.97
Sun Hydraulics	134,646	5,162	2.24
UniFirst	9,420	1,331	0.58
Vishay Intertechnology	147,000	2,687	1.17
Wabash National	328,300	4,690	2.04
		60,695	26.35
Media 1.06% (0.68%)			
EW Scripps	216,574	2,435	1.06
		2,435	1.06
Oil & Gas 0.65% (0.54%)			
Oil States International	57,340	1,502	0.65
		1,502	0.65
Personal & Household Goods 7.46% (7.72%)			
Ethan Allen Interiors	67,600	1,148	0.50
Inter Parfums	77,888	3,863	1.68
Kimball International	247,805	3,360	1.46
LCI Industries	30,744	2,197	0.95
MCBC	164,785	3,432	1.49
Movado	46,430	1,509	0.65
Steelcase	149,510	1,688	0.73
		17,197	7.46
Retail 2.06% (1.95%)			
Caleres	109,031	3,356	1.46
Monro	25,600	1,380	0.60
		4,736	2.06
Technology 11.09% (9.78%)			
Advanced Energy Industries	104,500	4,745	2.06
Cabot Microelectronics	21,290	1,834	0.80
Cohu	206,600	4,148	1.80
j2 Global	107,475	6,898	2.99
MKS Instruments	35,861	2,548	1.11
Nanometrics	40,968	1,385	0.60
NetScout Systems	88,700	1,714	0.74
Nlight	65,533	1,458	0.63
Rudolph Technologies	38,727	824	0.36
		25,554	11.09
Hedged Share Class Derivatives 0.00% (0.00%)			
Canadian Dollar Derivatives 0.00% (0.00%)			
Forward to sell CAD71,048 for GBP42,636 Settlement 28/09/2018		1	–
		1	–

Legg Mason IF Royce US Smaller Companies Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Danish Krone Derivatives 0.00% (0.00%)			
Forward to buy DKK943 for GBP113 Settlement 28/09/2018		–	–
Forward to sell DKK34,745 for GBP4,240 Settlement 28/09/2018		–	–
		–	–
Norwegian Krone Derivatives 0.00% (0.00%)			
Forward to sell NOK92,224 for GBP8,585 Settlement 28/09/2018		–	–
		–	–
US Dollar Derivatives 0.00% (0.00%)			
Forward to sell USD654,427 for GBP507,178 Settlement 28/09/2018		4	–
		4	–
Portfolio of investments		214,810	93.27
Net other assets		15,510	6.73
Net assets		230,320	100.00

Stocks shown as ADRs represent American Depositary Receipts.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

Legg Mason IF Western Asset Global Multi Strategy Bond Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Certificates of Deposit 1.74% (3.93%)			
Sterling Denominated 1.74% (3.93%)			
Commerzbank 0.5% September 2018	6,500,890	6,501	1.74
		6,501	1.74
Bonds 84.56% (84.45%)			
Sterling Denominated 2.06% (1.74%)			
Aviva 6.125% Euro Non-Dollar 14/11/2036	GBP 1,590,000	1,778	0.48
Aviva 6.125% Euro Non-Dollar Perpetual	GBP 290,000	317	0.08
AXA 6.6862% Euro MTN Perpetual	GBP 1,000,000	1,151	0.31
Greene King Finance 2.71075% Euro Non-Dollar 15/03/2036	GBP 299,000	251	0.07
GVC 1% 29/03/2024	GBP 670,000	666	0.18
Marston's Issuer 5.641% Euro Non-Dollar 15/07/2035	GBP 1,925,000	1,707	0.46
Tesco Property Finance 6 5.4111% Euro Non-Dollar 13/07/2044	GBP 1,608,423	1,808	0.48
		7,678	2.06
Euro Denominated 1.75% (1.36%)			
Altice France 5.625% Euro Zone 15/05/2024	EUR 500,000	468	0.13
Burger King France 5.25% Euro-Zone 01/05/2023	EUR 270,000	245	0.07
Intesa Sanpaolo 7% Euro MTN Perpetual	EUR 1,000,000	925	0.25
Masaria Investments 5% US Non-Dollar 15/09/2024	EUR 220,000	191	0.05
Masaria Investments 5.25% Euro-Zone 15/09/2024	EUR 670,000	585	0.16
Monitchem 6.875% Euro-Zone 15/06/2022	EUR 503,000	403	0.11
Platin 1426 5.375% Euro-Zone 15/06/2023	EUR 1,530,000	1,351	0.36
TDC 1% 31/05/2025	EUR 1,130,000	1,016	0.27
Unibail-Rodamco 2.125% Euro Zone Perpetual	EUR 1,500,000	1,318	0.35
		6,502	1.75
US Dollar Denominated 65.77% (63.91%)			
1011778 B C Unlimited Liabili 1% 16/02/2024	USD 429,330	330	0.09
Adient Global 4.875% Private Placement 15/08/2026	USD 1,210,000	849	0.23
Albertsons 1% 22/06/2023	USD 1,302,476	998	0.27
Alcoa Netherland 6.75% Private Placement 30/09/2024	USD 800,000	652	0.17
Alcoa Netherland 7% Private Placement 30/09/2026	USD 720,000	596	0.16
Allergan Funding SCS 4.85% Global 15/06/2044	USD 1,190,000	908	0.24
Alliance One International 9.875% Global 15/07/2021	USD 50,000	37	0.01
Ally Financial 8% Global 31/12/2018	USD 123,000	96	0.03
Alternative Loan Trust 2005-77T1 16.60575% Private CMO 25/02/2036	USD 1,545,023	1,171	0.31
Alternative Loan Trust 2006-18CB 20.341% Private CMO 25/07/2036	USD 1,465,221	1,549	0.41
Altice Luxembourg 7.75% Private Placement 15/05/2022	USD 1,120,000	832	0.22
Ambac Assurance 5.1% Private Placement 07/06/2020	USD 5,330	6	–
Ambac LSNI 7.33738% Private Placement 12/02/2023	USD 17,908	14	–
American Airlines 1% 27/06/2025	USD 955,000	718	0.19
American Airlines 2013-2 Class B Pass Through Trust 5.6% Private Placement 15/07/2022	USD 1,117,850	877	0.23
American Axle & Manufacturing 1% 06/04/2024	USD 79,188	61	0.02
American Builders Contractors 1% 31/10/2023	USD 1,280,761	980	0.26
American International 6.25% Global 15/03/2087	USD 293,000	232	0.06
AMGH 1% 28/04/2022	USD 1,456,165	1,097	0.29
Anglo American Capital 4.75% Private Placement 10/04/2027	USD 200,000	150	0.04
Apollo 1% 02/05/2022	USD 1,422,036	1,096	0.29
Aramark Services 1% 11/03/2025	USD 997,500	768	0.21
Ardagh Packaging Finance USA 4.625% Private Placement 15/05/2023	USD 480,000	366	0.10
Ardagh Packaging Finance USA 6% Private Placement 15/02/2025	USD 1,970,000	1,488	0.40
Ardagh Packaging Finance USA 7.25% Private Placement 15/05/2024	USD 370,000	299	0.08
Argentine Republic Government International Bond 5.875% Global 11/01/2028	USD 610,000	337	0.09
Argentine Republic Government International Bond 7.5% Global 22/04/2026	USD 1,740,000	1,099	0.29
Avolon TLB Borrower 1% 15/01/2025	USD 1,002,425	770	0.21
Banco Mercantil del Norte 6.875% Euro Dollar Perpetual	USD 780,000	601	0.16
Bank of America 6.5% US Domestic Perpetual	USD 2,230,000	1,850	0.49

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Barrick North America Finance 5.75% Global 01/05/2043	USD 2,140,000	1,823	0.49
Bausch Health 5.5% Private Placement 01/03/2023	USD 1,680,000	1,222	0.33
Bausch Health 6.125% Private Placement 15/04/2025	USD 1,940,000	1,387	0.37
Bausch Health 7.5% Private Placement 15/07/2021	USD 160,000	125	0.03
Bausch Health 9.25% Private Placement 01/04/2026	USD 150,000	122	0.03
BBVA Bancomer 5.125% Euro Dollar 18/01/2033	USD 1,870,000	1,316	0.35
Beacon Roofing Supply 1% 02/01/2025	USD 169,575	130	0.03
Berry Plastics 1% 01/10/2022	USD 1,192,588	917	0.25
Blue Racer Midstream 6.125% Private Placement 15/11/2022	USD 1,110,000	872	0.23
BNP Paribas 7% Euro Dollar Perpetual	USD 380,000	292	0.08
Braskem America Finance 7.125% Euro Dollar 22/07/2041	USD 2,720,000	2,301	0.62
Braskem Finance 5.375% Euro Dollar 02/05/2022	USD 760,000	591	0.16
Braskem Finance 7% Euro Dollar 07/05/2020	USD 106,000	85	0.02
Brickman 1% 18/12/2020	USD 0	–	–
BrightView Landscapes 1% 15/08/2025	USD 490,000	377	0.10
British Telecommunications 9.625% Global 15/12/2030	USD 70,000	77	0.02
Caesars Resort Collection 1% 22/12/2024	USD 945,250	729	0.19
Carrizo Oil & Gas 6.25% Global 15/04/2023	USD 1,210,000	954	0.25
Cb Magnum Hunter Resources 9.75% 15/05/2020+	USD 990,000	–	–
CBS Radio 1% 17/11/2024	USD 262,020	199	0.05
CCO Capital 5.375% Private Placement 01/05/2025	USD 410,000	313	0.08
CD 2007-CD4 Commercial Mortgage Trust 5.398% CMBS 11/12/2049	USD 24,419	14	–
Celgene 5% Global 15/08/2045	USD 990,000	762	0.20
Centene 4.75% US Domestic 15/01/2025	USD 2,120,000	1,639	0.44
CenturyLink 6.75% Global 01/12/2023	USD 760,000	612	0.16
Change Healthcare 1% 01/03/2024	USD 616,877	474	0.13
Charter Communications 1% 30/04/2025	USD 1,053,950	810	0.22
Chesapeake Energy 5.375% US Domestic 15/06/2021	USD 460,000	352	0.09
Chesapeake Energy 5.75% US Domestic 15/03/2023	USD 1,420,000	1,059	0.28
Chesapeake Energy 6.125% US Domestic 15/02/2021	USD 210,000	165	0.04
CIT 5% Global 15/08/2022	USD 1,161,000	911	0.24
CIT 5.375% US Domestic 15/05/2020	USD 28,000	22	0.01
Citigroup 6.125% Global 25/08/2036	USD 166,000	147	0.04
Citigroup 6.3% US Domestic Perpetual	USD 6,760,000	5,354	1.43
Colombia Government International Bond 5.625% Global 26/02/2044	USD 4,660,000	3,897	1.04
ConocoPhillips 6.95% Global 15/04/2029	USD 40,000	39	0.01
Conseco Finance 7.75% 15/06/2027	USD 1,430,495	1,124	0.30
Continental Resources 4.9% Global 01/06/2044	USD 1,620,000	1,238	0.33
Credit Suisse 7.5% Euro Dollar Perpetual	USD 440,000	350	0.09
Credit Suisse Commercial Mortgage Trust Series 2007-C5 5.869% CMBS 15/09/2040	USD 421,644	314	0.08
CSC Finco 1% 17/07/2025	USD 1,944,141	1,489	0.40
CSMC Mortgage-Backed Trust Series 2006-1 19.168875% Private CMO 25/02/2036	USD 613,613	563	0.15
CSMC Series 2015-2R 2.27363% Private CMO 27/04/2036	USD 1,550,000	940	0.25
CSMC Series 2015-2R 3.14963% Private CMO 27/08/2036	USD 2,450,501	1,673	0.45
CVS Health 4.1% Global 25/03/2025	USD 3,550,000	2,731	0.73
CWGS Group 1% 08/11/2023	USD 1,487,350	1,127	0.30
DAE Funding 4.5% Private Placement 01/08/2022	USD 893,000	676	0.18
DAE Funding 5% Private Placement 01/08/2024	USD 860,000	651	0.17
DaVita 5% Global 01/05/2025	USD 340,000	248	0.07
Dell International 1% 07/09/2023	USD 965,138	742	0.20
Dell International 5.875% Private Placement 15/06/2021	USD 670,000	530	0.14
Dell International 7.125% Private Placement 15/06/2024	USD 600,000	493	0.13
Delphi Technologies 5% Private Placement 01/10/2025	USD 760,000	552	0.15
Delta Air Lines 2007-1 Class B Pass Through Trust 8.021% Global 10/08/2022	USD 113,552	96	0.03
DISH DBS 5.875% Global 15/07/2022	USD 1,437,000	1,066	0.28
DISH DBS 5.875% Global 15/11/2024	USD 1,560,000	1,044	0.28
DISH DBS 7.75% Global 01/07/2026	USD 1,700,000	1,180	0.32
DJO Finance 8.125% Private Placement 15/06/2021	USD 410,000	325	0.09
DJO Finance 10.75% Global 15/04/2020	USD 1,250,000	959	0.26
Dolphin Energy 5.888% Euro Dollar 15/06/2019	USD 114,800	89	0.02
Ecopetrol 4.125% Global 16/01/2025	USD 1,240,000	936	0.25
Ecopetrol 5.375% Global 26/06/2026	USD 630,000	501	0.13
Ecopetrol 5.875% Global 18/09/2023	USD 870,000	712	0.19
Ecuador Government International Bond 9.65% Euro Dollar 13/12/2026	USD 2,770,000	2,048	0.55

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Energy Transfer Partners 4.5% Global 01/11/2023	USD 330,000	258	0.07
Energy Transfer Partners 5% Global 01/10/2022	USD 410,000	327	0.09
Energy Transfer Partners 5.875% Global 01/03/2022	USD 590,000	481	0.13
EP Energy Everest Acquisition Finance 9.375% Private Placement 01/05/2024	USD 150,000	91	0.02
Extraction Oil & Gas 5.625% Private Placement 01/02/2026	USD 1,300,000	933	0.25
Fannie Mae Connecticut Avenue Securities 5.61475% Private CMO 25/07/2029	USD 3,110,000	2,610	0.70
Fannie Mae Connecticut Avenue Securities 7.06475% Private CMO 25/07/2025	USD 2,435,161	2,087	0.56
First Data 1% 26/04/2024	USD 1,336,580	1,026	0.27
First Data 7% Private Placement 01/12/2023	USD 1,490,000	1,192	0.32
First Quantum Minerals 6.5% Euro Dollar 01/03/2024	USD 630,000	457	0.12
First Quantum Minerals 6.875% Euro Dollar 01/03/2026	USD 1,030,000	737	0.20
FirstEnergy 7.375% Global 15/11/2031	USD 1,875,000	1,876	0.50
Fontainebleau Las Vegas 10.25% Private Placement 15/06/2015+	USD 80,000	–	–
Freddie Mac Gold Pool 7% Mortgage Backed Security 30 Year 01/03/2039	USD 17,323	15	–
Freddie Mac Structured Agency Credit Risk Debt Notes 6.76475% Private CMO 25/04/2028	USD 1,830,000	1,678	0.45
Freddie Mac Structured Agency Credit Risk Debt Notes 7.01475% Private CMO 25/07/2029	USD 1,820,000	1,615	0.43
Freeport-McMoRan 5.45% Global 15/03/2043	USD 3,900,000	2,680	0.72
Gcb Berry Pete 6.375% 15/09/2022+	USD 380,000	–	–
GE Capital International Funding Unlimited 4.418% Global 15/11/2035	USD 1,400,000	1,041	0.28
General Electric Capital 6.15% Global 07/08/2037	USD 180,000	162	0.04
General Electric Capital 6.75% Global 15/03/2032	USD 25,000	24	0.01
General Electric Capital 6.875% Global 10/01/2039	USD 794,000	772	0.21
Genesis Energy 5.625% US Domestic 15/06/2024	USD 610,000	437	0.12
Geo 5.875% Global 15/10/2024	USD 570,000	427	0.11
Ghana Government International Bond 7.625% Euro Dollar 16/05/2029	USD 1,110,000	836	0.22
Glencore Finance Canada 6% Euro Dollar 15/11/2041	USD 1,070,000	855	0.23
Golden Nugget 04/10/2023	USD 693,647	535	0.14
Goldman Sachs Capital II 4% US Domestic Perpetual	USD 284,000	182	0.05
HCA 13/03/2025	USD 1,422,063	1,099	0.29
HCA 4.5% Global 15/02/2027	USD 1,290,000	977	0.26
HCA 5% US Domestic 15/03/2024	USD 20,000	16	–
HCA 5.625% US Domestic 01/09/2028	USD 1,580,000	1,216	0.33
HCA 5.875% Global 01/05/2023	USD 10,000	8	–
HCA 7.5% Global 15/02/2022	USD 10,000	8	–
Hertz Vehicle Financing 3.56% 25/10/2021	USD 1,530,000	1,165	0.31
Hilton WorldWide 1% 25/10/2023	USD 1,231,199	949	0.25
Hilton WorldWide 4.875% Global 01/04/2027	USD 830,000	628	0.17
Honduras Government International Bond 6.25% Euro Dollar 19/01/2027	USD 2,030,000	1,590	0.43
HSBC 6.375% Global Perpetual	USD 2,080,000	1,603	0.43
Hudbay Minerals 7.25% Private Placement 15/01/2023	USD 650,000	510	0.14
Hudbay Minerals 7.625% Private Placement 15/01/2025	USD 1,540,000	1,205	0.32
IHO Verwaltungs 4.125% Private Placement 15/09/2021	USD 800,000	610	0.16
IHO Verwaltungs 4.75% Private Placement 15/09/2026	USD 800,000	581	0.16
Indonesia Government International Bond 3.75% Euro MTN 25/04/2022	USD 540,000	413	0.11
Indonesia Government International Bond 4.625% Private Placement 15/04/2043	USD 3,000,000	2,219	0.59
Indonesia Government International Bond 5.25% Euro MTN 17/01/2042	USD 2,970,000	2,361	0.63
Indonesia Government International Bond 6.625% Euro Dollar 17/02/2037	USD 840,000	770	0.21
ING 6.875% Euro Dollar Perpetual	USD 3,590,000	2,806	0.75
Itau Unibanco 6.125% Euro MTN Perpetual	USD 2,180,000	1,511	0.40
Jaguar 1% 18/08/2022	USD 920,072	707	0.19
Jaguar 6.375% Private Placement 01/08/2023	USD 480,000	372	0.10
JP Morgan Chase 6.125% Global Perpetual	USD 1,270,000	1,019	0.27
JP Morgan Chase Commercial Mortgage Securities Trust 2007-CIBC19 6.0124% CMBS 12/02/2049	USD 808,160	459	0.12
JP Morgan Chase Commercial Mortgage Securities Trust 2007-LDP12 6.16785% CMBS 15/02/2051	USD 31,819	24	0.01
JP Morgan Chase Commercial Mortgage Securities Trust 2018-PHMZ 10.27034% CMBS 15/06/2035	USD 1,810,000	1,393	0.37
KazMunayGas National 5.375% Euro Dollar 24/04/2030	USD 2,080,000	1,624	0.43
KazMunayGas National 6.375% Euro Dollar 24/10/2048	USD 790,000	631	0.17
KCA Deutag UK Finance 7.25% Private Placement 15/05/2021	USD 2,280,000	1,635	0.44
Kenya Government International Bond 6.875% Euro Dollar 24/06/2024	USD 2,370,000	1,788	0.48

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Kerr-McGee 7.875% US Domestic 15/09/2031	USD 20,000	19	0.01
Kinder Morgan 7.75% Domestic MTN 15/01/2032	USD 140,000	134	0.04
Kraft Heinz Foods 5.2% Global 15/07/2045	USD 2,480,000	1,876	0.50
Lamb Weston 4.625% Private Placement 01/11/2024	USD 1,530,000	1,153	0.31
Lamb Weston 4.875% Private Placement 01/11/2026	USD 1,100,000	833	0.22
Lehman Brothers Holdings Capital Trust VII 5.857% Domestic MTN Perpetual+ Level 3 Financing 22/02/2024	USD 125,000	–	–
Lone Star Portfolio Trust 2015-LSP 8.96269% CMBS 15/09/2028	USD 810,000	623	0.17
Lone Star Portfolio Trust 9.28863% CMBS 15/09/2020	USD 3,583,535	2,771	0.74
Match 5% Private Placement 15/12/2027	USD 2,162,773	1,686	0.45
MEG Energy 7% Private Placement 31/03/2024	USD 1,030,000	774	0.21
MetLife 6.4% Global 15/12/2036	USD 260,000	182	0.05
Mexichem 5.875% Euro Dollar 17/09/2044	USD 210,000	172	0.05
MGM Growth 1% 21/03/2025	USD 1,570,000	1,158	0.31
MGM Resorts 6.625% Global 15/12/2021	USD 1,051,181	808	0.22
Michaels Stores 1% 28/01/2023	USD 840,000	685	0.18
Millicom International Cellular 5.125% Euro Dollar 15/01/2028	USD 1,438,174	1,101	0.29
Mohegan Tribal Gaming 1% 13/10/2023	USD 2,190,000	1,562	0.42
Morgan Stanley Capital 4.06475% 25/07/2037	USD 254,089	183	0.05
Morgan Stanley Mortgage Loan Trust 2005-2AR 2.56475% Private CMO 25/04/2035	USD 2,020,000	1,305	0.35
MPH Acquisition 1% 07/06/2023	USD 1,974,463	1,159	0.31
MPT Operating Partnership 5.25% Global 01/08/2026	USD 529,289	407	0.11
Murray Energy 12% Private Placement 15/04/2024	USD 1,260,000	968	0.26
Myriad International 4.85% Euro Dollar 06/07/2027	USD 360,000	198	0.05
Naivent 5.875% Global 25/10/2024	USD 1,890,000	1,436	0.38
Naivent 8% Domestic MTN 25/03/2020	USD 300,000	223	0.06
Navios Maritime Acquisition 8.125% Private Placement 15/11/2021	USD 1,850,000	1,503	0.40
NCL 4.75% Private Placement 15/12/2021	USD 560,000	370	0.10
NGL Energy Partners LP 7.5% Global 01/11/2023	USD 920,000	709	0.19
NGPL PipeCo 7.768% Private Placement 15/12/2037	USD 1,620,000	1,274	0.34
Nigeria Government International Bond 7.143% Euro Dollar 23/02/2030	USD 760,000	720	0.19
Nigeria Government International Bond 7.625% Euro MTN 28/11/2047	USD 900,000	656	0.18
NRG Energy 7.25% Global 15/05/2026	USD 600,000	420	0.11
NRG REMA 9.681% US Domestic 02/07/2026	USD 920,000	763	0.20
OCI 6.625% Euro Dollar 15/04/2023	USD 557,920	302	0.08
OCP 5.625% Euro Dollar 25/04/2024	USD 1,240,000	987	0.26
ON Semiconductor 31/03/2023	USD 1,550,000	1,225	0.33
Option One Mortgage Loan Trust 2007-FXD1 5.86% 25/01/2037	USD 86,264	66	0.02
Outfront Media 5.25% Global 15/02/2022	USD 1,737,301	1,324	0.35
Pactiv 8.375% US Domestic 15/04/2027	USD 250,000	193	0.05
Pampa Energia 7.5% Euro Dollar 24/01/2027	USD 1,450,000	1,210	0.32
Park Aerospace 4.5% Private Placement 15/03/2023	USD 1,490,000	907	0.24
Park Aerospace 5.25% Private Placement 15/08/2022	USD 690,000	525	0.14
Park Aerospace 5.5% Private Placement 15/02/2024	USD 1,000,000	781	0.21
Party City 1% 19/08/2022	USD 1,850,000	1,458	0.39
Pet Acquisition Merger 1% 26/01/2023	USD 647,963	500	0.13
Petrobras Global Finance 6.25% Global 17/03/2024	USD 1,018,484	571	0.15
Petsmart 1% 11/03/2022	USD 5,613,000	4,218	1.13
Post Holdings 1% 24/05/2024	USD 1,954,545	1,281	0.34
Provincia de Buenos Aires 7.875% Euro Dollar 15/06/2027	USD 795,980	612	0.16
Quicken Loans 5.75% Private Placement 01/05/2025	USD 1,790,000	1,006	0.27
Quikrete 1% 15/11/2023	USD 2,090,000	1,595	0.43
Republic of South Africa Government International Bond 5.875% Global 22/06/2030	USD 520,676	400	0.11
RETL 2018-RVP 6.56269% CMBS 15/03/2033	USD 1,890,000	1,432	0.38
RETL 2018-RVP 8.06269% CMBS 15/03/2033	USD 2,246,895	1,751	0.47
RETL 2018-RVP 9.56269% CMBS 15/03/2033	USD 4,642,997	3,619	0.97
Reynolds Group 1% 05/02/2023	USD 1,149,778	894	0.24
Rpi Fin Tr 1% 27/03/2023	USD 1,014,374	782	0.21
Sabra Health Care 5.125% Global 15/08/2026	USD 250,447	193	0.05
Sands China 4.6% Euro Dollar 08/08/2023	USD 810,000	604	0.16
Scientific Games International 1% 14/08/2024	USD 740,000	575	0.15
SMB Private Education Loan Trust 2014-A 3.56269% 15/04/2032	USD 798,000	612	0.16
Smurfit Kappa Treasury Funding 7.5% Yankee 20/11/2025	USD 490,000	385	0.10
	USD 80,000	72	0.02

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Southern Copper 5.25% Global 08/11/2042	USD 2,090,000	1,624	0.43
Sprint 7.625% Global 15/02/2025	USD 790,000	643	0.17
Sprint 7.875% Global 15/09/2023	USD 1,700,000	1,402	0.37
Sprint Capital 8.75% Global 15/03/2032	USD 1,403,000	1,195	0.32
Sprint Communications 11.5% Global 15/11/2021	USD 1,760,000	1,594	0.43
Station Casinos 1% 08/06/2023	USD 990,086	763	0.20
Syngenta Finance 4.441% Euro Dollar 24/04/2023	USD 950,000	732	0.20
Targa Resources Partners 4.25% Global 15/11/2023	USD 1,940,000	1,451	0.39
Targa Resources Partners 5.125% Global 01/02/2025	USD 70,000	54	0.01
Targa Resources Partners 5.875% Private Placement 15/04/2026	USD 1,240,000	982	0.26
Taylor Morrison Communities 5.25% Private Placement 15/04/2021	USD 1,250,000	960	0.26
Taylor Morrison Communities 5.875% Private Placement 15/04/2023	USD 230,000	178	0.05
Teine Energy 6.875% Private Placement 30/09/2022	USD 380,000	295	0.08
Tenet Healthcare 7.5% Private Placement 01/01/2022	USD 940,000	757	0.20
Tenet Healthcare 8.125% Global 01/04/2022	USD 520,000	422	0.11
Tex Operations 1% 04/08/2023	USD 42,259	32	0.01
Time Warner Cable 8.75% Global 14/02/2019	USD 68,000	54	0.01
Trans Union 1% 10/04/2023	USD 590,428	455	0.12
Transocean 6.8% Global 15/03/2038	USD 110,000	70	0.02
Transportadora de Gas del Peru 4.25% Euro Dollar 30/04/2028	USD 3,340,000	2,536	0.68
Transportadora de Gas Internacional 5.7% Euro Dollar 20/03/2022	USD 1,500,000	1,169	0.31
Turk Telekomunikasyon 4.875% Private Placement 19/06/2024	USD 1,120,000	694	0.19
Ultrapar International 5.25% Private Placement 06/10/2026	USD 1,550,000	1,106	0.30
United Airlines 2014-2 Class B Pass Through Trust 4.625% US Domestic 03/09/2022	USD 382,403	296	0.08
United Rentals North America 4.625% US Domestic 15/10/2025	USD 380,000	286	0.08
United Rentals North America 4.875% US Domestic 15/01/2028	USD 890,000	653	0.17
United Rentals North America 5.5% US Domestic 15/05/2027	USD 1,410,000	1,084	0.29
United States Treasury Note 1.5% US Government 15/08/2026	USD 490,000	341	0.09
United States Treasury Note 1.625% US Government 15/02/2026	USD 700,000	495	0.13
United States Treasury Note 1.875% US Government 31/01/2022	USD 2,800,000	2,092	0.56
United States Treasury Note 2% US Government 31/10/2022	USD 4,500,000	3,357	0.90
United States Treasury Note 2% US Government 15/11/2026	USD 1,130,000	815	0.22
United States Treasury Note 2.25% US Government 15/02/2027	USD 610,000	448	0.12
United States Treasury Note 3% US Government 15/05/2045	USD 1,270,000	976	0.26
United States Treasury Note 3% US Government 15/11/2045	USD 4,880,000	3,749	1.00
United States Treasury Note 3.125% US Government 15/02/2043	USD 7,997,000	6,279	1.68
United Technologies 5.4% US Domestic 01/05/2035	USD 35,000	30	0.01
Univision Communications 1% 15/03/2024	USD 1,432,296	1,057	0.28
UPC 5.5% Private Placement 15/01/2028	USD 1,160,000	833	0.22
Vale Overseas 6.25% Global 10/08/2026	USD 2,070,000	1,752	0.47
Valeant Pharmaceuticals 1% 02/06/2025	USD 128,159	99	0.03
Vantiv 4.375% Private Placement 15/11/2025	USD 1,131,000	828	0.22
VEON 7.5043% Euro Dollar 01/03/2022	USD 874,000	715	0.19
VICI Properties 1% 20/12/2024	USD 526,364	404	0.11
Viking Cruises 5.875% Private Placement 15/09/2027	USD 260,000	196	0.05
Virgin Media 1% 15/01/2026	USD 1,244,400	956	0.26
Virgin Media Finance 6.375% Private Placement 15/04/2023	USD 200,000	158	0.04
Virgin Media Secured Finance 5.5% Private Placement 15/08/2026	USD 330,000	249	0.07
VOC Escrow 5% Private Placement 15/02/2028	USD 780,000	582	0.16
Wells Fargo 5.875% Global Perpetual	USD 1,280,000	1,037	0.28
Western Digital 1% 29/04/2023	USD 256,906	197	0.05
Whiting Petroleum 6.25% Global 01/04/2023	USD 570,000	451	0.12
Whiting Petroleum 6.625% Global 15/01/2026	USD 700,000	560	0.15
William Lyon Homes 7% Global 15/08/2022	USD 120,000	94	0.03
Williams Cos 5.75% Global 24/06/2044	USD 1,780,000	1,471	0.39
Windstream Services 10.5% Euro Dollar 30/06/2024	USD 350,000	215	0.06
WPX Energy 8.25% US Domestic 01/08/2023	USD 2,140,000	1,868	0.50
XPO Logistics 1% 24/02/2025	USD 1,070,000	825	0.22
XPO Logistics 6.125% Private Placement 01/09/2023	USD 1,780,000	1,411	0.38
XPO Logistics 6.5% Private Placement 15/06/2022	USD 120,000	95	0.03
YPF Sociedad Anonima 8.5% Euro Dollar 23/03/2021	USD 1,900,000	1,400	0.37
ZF North America Capital 4.5% Private Placement 29/04/2022	USD 338,000	265	0.07
		246,242	65.77

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Argentine Peso Denominated 0.95% (1.58%)			
Argentine Bonos del Tesoro 18.2% Domestic 03/10/2021	ARS 94,420,812	1,459	0.39
Argentine Bonos del Tesoro 21.2% Domestic 19/09/2018	ARS 92,368,000	1,814	0.48
Argentine Bonos del Tesoro 45.10335% Domestic 21/06/2020	ARS 14,360,000	301	0.08
		3,574	0.95
Brazilian Real Denominated 3.07% (5.63%)			
Brazil Notas do Tesouro Nacional Serie B 6% Domestic 15/08/2050	BRL 5,932,000	3,531	0.94
Brazil Notas do Tesouro Nacional Serie F 10% Domestic 01/01/2021	BRL 26,270,000	4,883	1.30
Brazil Notas do Tesouro Nacional Serie F 10% Domestic 01/01/2023	BRL 12,691,000	2,245	0.60
Brazil Notas do Tesouro Nacional Serie F 10% Domestic 01/01/2027	BRL 5,204,000	856	0.23
		11,515	3.07
Colombian Peso Denominated 0.01% (0.01%)			
Colombian TES 10% Domestic 24/07/2024	COP 124,200,000	37	0.01
		37	0.01
Indonesian Rupiah Denominated 1.03% (0.93%)			
Indonesia Government Bond 7% Domestic 15/05/2027	IDR 80,362,000,000	3,869	1.03
		3,869	1.03
Mexican Peso Denominated 5.67% (4.48%)			
Mexican Bonos 6.5% Domestic 09/06/2022	MXN 133,151,800	5,114	1.37
Mexican Bonos 7.5% Domestic 03/06/2027	MXN 177,400,000	6,938	1.85
Mexican Bonos 7.75% Domestic 13/11/2042	MXN 235,393,400	9,187	2.45
		21,239	5.67
Polish Zloty Denominated 0.00% (1.01%)			
Russian Ruble Denominated 2.95% (3.01%)			
Russian Federal Bond 7.05% Domestic 19/01/2028	RUB 562,156,000	5,751	1.54
Russian Federal Bond 8.15% Domestic 03/02/2027	RUB 477,890,000	5,284	1.41
		11,035	2.95
South African Rand Denominated 0.95% (0.00%)			
Republic of South Africa Government Bond 6.5% Domestic 28/02/2041	ZAR 97,000,000	3,547	0.95
		3,547	0.95
Turkish Lira Denominated 0.35% (0.79%)			
Turkey Government Bond 10.6% Domestic 11/02/2026	TRY 20,120,000	1,318	0.35
		1,318	0.35
Collective Investment Schemes 10.08% (7.85%)			
Legg Mason Western Asset Emerging Markets Corporate Bond	74,757	5,292	1.41
Legg Mason Western Asset Euro High Yield	126,108	19,003	5.08
Legg Mason Western Asset US High Yield	203,166	13,422	3.59
		37,717	10.08
Ordinary Shares 0.19% (0.10%)			
United States 0.19% (0.10%)			
Berry Petroleum	33,068	412	0.11
Blue Ridge Mountain Resources	53,596	247	0.07
Hercules Offshore	44,980	10	–

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Tricer	13,963	41	0.01
		710	0.19
Preferred Shares 0.01% (0.04%)			
United States 0.01% (0.04%)			
Tricer	6,701,838	52	0.01
		52	0.01
Derivatives (0.76%) ((2.27%))			
Euro Derivatives (0.31%) ((0.17%))			
Credit Default Swaps (0.24%) ((0.22%))			
Credit Default Swap Index 20/06/2023	10,910,000	(875)	(0.24)
		(875)	(0.24)
Forward Currency Contracts (0.05%) ((0.01%))			
Forward to sell EUR30,119,795 for GBP26,888,604 08/11/2018		(194)	(0.05)
		(194)	(0.05)
Futures (0.02%) (0.06%)			
30YR Euro-Buxl Futures December 2018	(9)	(14)	–
Euro BUND Futures December 2018	(158)	(68)	(0.02)
		(82)	(0.02)
US Dollar Derivatives (0.54%) ((1.96%))			
Credit Default Swaps (0.21%) ((0.18%))			
Credit Default Swap Index 20/12/2022	8,050,000	(439)	(0.11)
Credit Default Swap Index 20/06/2023	7,520,000	(393)	(0.10)
		(832)	(0.21)
Forward Currency Contracts (0.27%) ((1.76%))			
Forward to buy USD2,544,492 for PHP136,970,000 19/09/2018		(12)	–
Forward to buy USD3,275,212 for KRW3,671,512,675 19/09/2018		(18)	–
Forward to buy USD4,280,881 for RUB267,630,000 19/09/2018		268	0.07
Forward to buy USD5,335,962 for BRL20,703,000 19/09/2018		272	0.07
Forward to buy USD9,500,000 for GBP7,454,705 08/11/2018		(170)	(0.05)
Forward to sell USD370,013,273 for GBP282,373,681 08/11/2018		(1,354)	(0.36)
		(1,014)	(0.27)
Futures (0.06%) ((0.02%))			
10YR US Treasury Note Futures December 2018	(333)	26	0.01
5YR US Treasury Note Futures December 2018	943	(92)	(0.02)
90DAY Euro Futures December 2019	625	(198)	(0.05)
		(264)	(0.06)
Options 0.00% (0.00%)			
USD Put TRY Call FX Option September 2018	4,970,000	4	–
		4	–
Australian Dollar Derivatives 0.01% (0.00%)			
Forward Currency Contracts 0.01% (0.00%)			
Forward to sell AUD6,920,000 for GBP3,877,750 08/11/2018		39	0.01
		39	0.01

Legg Mason IF Western Asset Global Multi Strategy Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Indian Rupee Derivatives (0.05%) ((0.02%))			
Forward Currency Contracts (0.05%) ((0.02%))			
Forward to buy INR700,421,350 for USD10,105,119 19/09/2018		(191)	(0.05)
		(191)	(0.05)
Indonesian Rupiah Derivatives (0.01%) (0.00%)			
Forward Currency Contracts (0.01%) (0.00%)			
Forward to buy IDR45,749,880,000 for USD3,169,372 19/09/2018		(53)	(0.01)
		(53)	(0.01)
Japanese Yen Derivatives 0.00% ((0.07%))			
Forward Currency Contracts 0.00% ((0.07%))			
Forward to sell JPY1,487,089 for GBP10,277 08/11/2018		—	—
		—	—
Mexican Peso Derivatives 0.04% ((0.02%))			
Forward Currency Contracts 0.04% ((0.02%))			
Forward to sell MXN328,448,804 for GBP13,192,264 08/11/2018		160	0.04
		160	0.04
Polish Zloty Derivatives 0.00% (0.00%)			
Forward Currency Contracts 0.00% (0.00%)			
Forward to sell PLN1,516,220 for GBP315,025 08/11/2018		(1)	—
		(1)	—
Singapore Dollar Derivatives 0.00% ((0.03%))			
Forward Currency Contracts 0.00% ((0.03%))			
Forward to sell SGD7,890,000 for GBP4,417,619 08/11/2018		(4)	—
		(4)	—
Turkish Lira Derivatives 0.10% (0.00%)			
Forward Currency Contracts 0.10% (0.00%)			
Forward to sell TRY11,490,000 for GBP1,658,749 08/11/2018		366	0.10
		366	0.10
Portfolio of investments		358,595	95.82
Net other assets		15,646	4.18
Net assets		374,241	100.00

+ Defaulted bonds.

All investments are corporate bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown in brackets relate to 28 February 2018.

	31.08.18 £'000	28.02.18 £'000
Credit Risk		
Investment grade securities	120,140	157,169
Below investment grade securities	152,812	176,530
Unrated securities	81,980	89,523
	354,932	423,222
Other investments	3,663	7,859
	358,595	431,081

Legg Mason IF Western Asset Retirement Income Bond Fund

Portfolio Statement (unaudited)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Certificates of Deposit 0.00% (2.74%)			
Sterling Denominated 0.00% (2.74%)			
Bonds 88.92% (87.11%)			
Euro Denominated 1.59% (0.00%)			
JPMorgan Chase 1.638% Euro MTN 18/05/2028	EUR 220,000	199	1.59
		199	1.59
Sterling Denominated 49.22% (52.24%)			
Barclays 3.25% Euro MTN 12/02/2027	GBP 140,000	137	1.10
BMW US Capital 2% Euro MTN 20/11/2019	GBP 250,000	252	2.02
Citigroup 5.15% Euro MTN 21/05/2026	GBP 180,000	211	1.69
Close Brothers Finance 3.875% Euro MTN 27/06/2021	GBP 130,000	137	1.10
Commonwealth Bank of Australia 2.25% Euro MTN 07/12/2018	GBP 140,000	140	1.12
Co-operative 7.5% Euro Non-Dollar 08/07/2026	GBP 100,000	119	0.95
CPUK Finance 3.588% Euro MTN 28/08/2025	GBP 180,000	189	1.51
Eastern Power Networks 4.75% Euro MTN 30/09/2021	GBP 130,000	142	1.14
Engie 7% Euro MTN 30/10/2028	GBP 100,000	141	1.13
Glencore Canada Financial 7.375% Euro MTN 27/05/2020	GBP 130,000	142	1.14
Imperial Brands Finance 8.125% Euro MTN 15/03/2024	GBP 110,000	141	1.13
innogy Finance 5.625% Euro MTN 06/12/2023	GBP 100,000	117	0.94
Koninklijke KPN 5.75% Euro MTN 17/09/2029	GBP 100,000	123	0.99
Land Securities Capital Markets 2.375% Euro MTN 29/03/2027	GBP 117,000	118	0.95
Miller Homes 5.5% Euro Non-Dollar 15/10/2024	GBP 100,000	100	0.80
Nestle Finance International 2.25% Euro MTN 30/11/2023	GBP 150,000	155	1.24
Rio Tinto Finance 4% Euro MTN 11/12/2029	GBP 100,000	115	0.92
Rolls-Royce 3.375% Euro MTN 18/06/2026	GBP 100,000	108	0.86
Saga 3.375% Euro Non-Dollar 12/05/2024	GBP 100,000	95	0.76
SP Manweb 4.875% Euro MTN 20/09/2027	GBP 110,000	131	1.05
SSE 5.875% Euro Non-Dollar 22/09/2022	GBP 120,000	140	1.12
Tesco Property Finance 6 5.4111% Euro Non-Dollar 13/07/2044	GBP 135,650	153	1.22
United Kingdom Gilt 1.25% 22/07/2027	GBP 250,000	248	1.99
United Kingdom Gilt 1.5% 22/07/2026	GBP 250,000	255	2.04
United Kingdom Gilt 1.625% 22/10/2028	GBP 250,000	254	2.03
United Kingdom Gilt 1.75% 07/09/2022	GBP 245,000	253	2.03
United Kingdom Gilt 2% 07/09/2025	GBP 240,000	253	2.03
United Kingdom Gilt 2.25% 07/09/2023	GBP 230,000	243	1.95
United Kingdom Gilt 2.75% 07/09/2024	GBP 230,000	252	2.02
United Kingdom Gilt 3.75% 07/09/2019	GBP 240,000	247	1.98
United Kingdom Gilt 3.75% 07/09/2020	GBP 230,000	244	1.95
United Kingdom Gilt 3.75% 07/09/2021	GBP 225,000	244	1.95
Virgin Media Secured Finance 5.5% Euro Non-Dollar 15/01/2025	GBP 126,000	129	1.03
Wells Fargo 2.125% Euro MTN 20/12/2023	GBP 150,000	149	1.19
WM Morrison Supermarkets 4.625% Euro MTN 08/12/2023	GBP 100,000	112	0.90
Yorkshire Building Society 3.5% Euro MTN 21/04/2026	GBP 150,000	156	1.25
		6,145	49.22
US Dollar Denominated 38.11% (34.87%)			
Ally Financial 8% Global 01/11/2031	USD 100,000	94	0.75
Anheuser-Busch InBev Finance 3.65% Global 01/02/2026	USD 80,000	60	0.48
ArcelorMittal 6.25% Global 25/02/2022	USD 110,000	91	0.73
Bank of America 3.004% Global 20/12/2023	USD 325,000	243	1.95
Bausch Health 6.125% Euro Dollar 15/04/2025	USD 130,000	93	0.74
BNP Paribas 3.25% Domestic MTN 03/03/2023	USD 350,000	266	2.13
Chevron 2.355% Global 05/12/2022	USD 240,000	179	1.43
CIT 5% Global 01/08/2023	USD 100,000	78	0.63
Constellation Brands 4.75% US Domestic 15/11/2024	USD 90,000	72	0.58
Continental Resources 4.5% Global 15/04/2023	USD 60,000	47	0.38
Credit Suisse 3.625% Domestic MTN 09/09/2024	USD 350,000	267	2.14
DAE Funding 5% Euro Dollar 01/08/2024	USD 70,000	53	0.42
DaVita 5% Global 01/05/2025	USD 110,000	80	0.64

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

Investments	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
DISH DBS 5.875% Global 15/11/2024	USD 90,000	60	0.48
First Data 7% Euro Dollar 01/12/2023	USD 20,000	16	0.13
General Electric Capital 4.625% Global 07/01/2021	USD 290,000	229	1.83
Gilead Sciences 3.65% Global 01/03/2026	USD 20,000	15	0.12
GLP Capital 5.375% US Domestic 15/04/2026	USD 130,000	104	0.83
Goldman Sachs 6% Domestic MTN 15/06/2020	USD 300,000	242	1.94
HCA 4.5% Global 15/02/2027	USD 30,000	23	0.18
HCA 5.625% US Domestic 01/09/2028	USD 90,000	69	0.55
International Lease Finance 5.875% Global 15/08/2022	USD 100,000	82	0.66
Lamb Weston 4.875% Euro Dollar 01/11/2026	USD 80,000	61	0.49
Levi Strauss 5% Global 01/05/2025	USD 70,000	54	0.43
McDonald's 2.625% Domestic MTN 15/01/2022	USD 190,000	143	1.14
MEG Energy 7% Euro Dollar 31/03/2024	USD 40,000	28	0.22
MGM Resorts International 6% US Domestic 15/03/2023	USD 100,000	80	0.64
MPLX 4.875% Global 01/06/2025	USD 180,000	144	1.15
MPT 5% Global 15/10/2027	USD 70,000	53	0.42
Naivent 8% Domestic MTN 25/03/2020	USD 100,000	81	0.65
Netflix 5.875% Global 15/02/2025	USD 100,000	79	0.63
Park Aerospace 5.5% Euro Dollar 15/02/2024	USD 80,000	63	0.51
QEP Resources 5.25% Global 01/05/2023	USD 100,000	75	0.60
Quicken Loans 5.75% Euro Dollar 01/05/2025	USD 150,000	114	0.91
Range Resources 4.875% Global 15/05/2025	USD 100,000	74	0.59
Shell International Finance 3.25% Global 11/05/2025	USD 320,000	243	1.95
Spectrum Brands 5.75% Global 15/07/2025	USD 100,000	78	0.62
Spectrum Brands 6.625% Global 15/11/2022	USD 50,000	40	0.33
Tenet Healthcare 8.125% Global 01/04/2022	USD 170,000	138	1.10
UBS Group Funding Switzerland 4.125% Euro Dollar 24/09/2025	USD 270,000	208	1.67
United Rentals North America 4.625% Global 15/07/2023	USD 100,000	78	0.62
United Rentals North America 5.75% US Domestic 15/11/2024	USD 100,000	79	0.63
UnitedHealth 1.625% Global 15/03/2019	USD 390,000	298	2.39
WPX Energy 8.25% US Domestic 01/08/2023	USD 100,000	87	0.70
		4,761	38.11
Collective Investment Schemes 9.82% (9.82%)			
Legg Mason Western Asset US High Yield	18,580	1,227	9.82
		1,227	9.82
Ordinary Shares 0.02% (0.02%)			
US Dollar Ordinary Shares 0.02% (0.02%)			
Tricer	930	3	0.02
		3	0.02
Preferred Shares 0.02% (0.02%)			
US Dollar Preferred Shares 0.02% (0.02%)			
Tricer	446,768	3	0.02
		3	0.02
Derivatives (0.28%) ((1.19%))			
US Dollar Denominated Derivatives (0.27%) ((1.19%))			
Forward Currency Contracts (0.27%) ((1.19%))			
Forward to buy USD176,272 for GBP135,988 Settlement 08/11/2018		(1)	(0.01)
Forward to sell USD8,047,989 for GBP6,139,537 Settlement 08/11/2018		(32)	(0.26)
		(33)	(0.27)

Legg Mason IF Western Asset Retirement Income Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

As at 31 August 2018

	Holdings or Nominal Value	Market value £'000	Percentage of total net assets %
Investments			
Euro Denominated Derivatives (0.01%) (0.00%)			
Forward Currency Contracts (0.01%) (0.00%)			
Forward to sell EUR223,910 for GBP199,849 Settlement 08/11/2018		(1)	(0.01)
		(1)	(0.01)
Portfolio of investments		12,304	98.50
Net other assets		187	1.50
Net assets		12,491	100.00
All investments are corporate bonds unless otherwise stated and admitted to official stock exchange listings. Comparative figures shown in brackets relate to 28 February 2018.			
		31.08.18 £'000	28.02.18 £'000
Credit Risk			
Investment grade securities		8,835	9,134
Below investment grade securities		2,270	2,463
Unrated securities		1,227	1,308
		12,332	12,905
Other investments		(28)	212
		12,304	13,117

Investment Funds Information

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Authorisation

Legg Mason Investment Funds Limited
Authorised and Regulated by the Financial Conduct Authority
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Glossary

Accommodative policy – one aiming to stimulate the economy through, for example, lower interest rates in order to encourage spending and discourage saving.

Asset – a financial instrument that is typically held in stocks, share or bond form. An owner of an asset usually holds it with an intention of receiving future returns.

Bailout – a term used to describe the financial aid provided to a collapsed financial organisation.

Blended average rating – an indication of the risk in a bond fund. The rating averages all of the credit ratings within a bond fund and is often expressed in a letter format such as BB.

Bond – a debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.

Bond ratings – bond ratings, here using Standard & Poor's grades, are expressed as letters ranging from 'AAA', which is the highest grade, to 'C', which is the lowest grade.

Bull market (also referred to as a 'Bullish' view) – a market in which share prices are rising, encouraging buying.

Commodity – a basic good used in commerce that is interchangeable with other commodities of the same type. Traditional examples of commodities include grains, gold, beef, oil and natural gas.

Consumer discretionary – goods and services typically purchased with discretionary income (income received after the deduction of basic living costs and tax).

Consumer staples – these are goods that are purchased which are purchased by consumers regardless of their finances. These typically include products such as food, tobacco, household goods and alcohol.

Corporate bond – a bond issued by a corporation to raise money effectively in order to expand its business.

Correlation – a statistical measure of how two financial securities move in relation to each other.

Credit – a debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.

Credit spreads – a credit spread is the difference in yield between two bonds of similar maturity but different credit quality. For example, if the 10-year Treasury note is trading at a yield of 6% and a 10-year corporate bond is trading at a yield of 8%, the corporate bond is said to offer a 200-basis-point (i.e. 2%) spread over the Treasury.

Credit quality – the perceived risk of a bond.

Currency markets – markets in which participants from around the world are able to buy, sell, exchange and speculate on different currencies.

Cyclical – more dependent on the prevailing state of, or changes in, the economic environment.

Debt market – the bond/fixed income market.

Defensive – less dependent on changes in the economy.

Deflation – a sustained decrease in the general price level of goods and services in an economy over a period of time.

Developed market – in investing, a developed market is a country that is most developed in terms of its economy and capital markets.

Dividend – a distribution of a portion of a company's earnings to a class of its shareholders.

Duration – a measure of the sensitivity of an asset against rising and falling interest rates. The duration of a financial asset that consists of fixed cash flows. For a bond, this is the weighted average of the times until those fixed cash flows are received.

Economic indicators – statistics about economic activity.

Emerging markets – in investment terms, countries whose financial markets are less developed and where investor protection and market infrastructure is often weaker than in developed markets such as the UK.

Equity – ownership interest in a corporation in the form of common stock or preferred stock.

European Central Bank – the central bank responsible for the monetary system of the European Union (EU) and the euro currency.

Fiscal – typically refers to revenue that belongs to the government.

Fixed income – bonds.

Fundamentals – the qualitative and quantitative information that contributes to the economic well-being and the subsequent financial valuation of a company, security or currency. Analysts and investors analyse these fundamentals to develop an estimate as to whether the underlying asset is considered a worthwhile investment.

Geopolitical – relating to politics, especially international relations, as influenced by geographical factors.

Gilt – a fixed-interest loan security issued by the UK government.

Growth versus value – growth investing focuses on companies that managers believe will experience faster-than-average growth as measured by revenues, earnings or cashflow. Value investing tries to find companies whose stock prices do not necessarily reflect their fundamental worth.

Hedge – an investment made as security, i.e. with the aim of reducing the potential losses of another investment.

Glossary (continued)

High yield bonds – high-paying bonds with lower credit ratings than investment grade corporate bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

Inflation – a sustained increase in the general price level of goods and services in an economy over a period of time.

Infrastructure – this covers investments in areas such as power plants, water treatment facilities, airports, roads.

Interest rates – rates charged or paid for the use of money.

Investment grade – a credit rating that means a government or corporate bond has a relatively low risk of default.

Investor (or market) sentiment – the general prevailing attitude of investors with regard to anticipated price developments in a particular market.

Issue – a term used to describe the activity of selling assets in order to raise capital.

Large caps – a term used by the investment community to refer to companies with a market capitalisation value of more than \$10 billion.

Macro-driven – affected by macroeconomics (the branch of economics concerned with large-scale or general economic factors, such as interest rates and national productivity).

Market capitalisation – or ‘market cap’ is calculated by taking a firm’s current share price and multiplying that figure by the total number of shares outstanding.

Maturity – refers to a finite time period at the end of which the financial instrument (i.e. a bond) will cease to exist and the principal is repaid with interest.

Monetary policy – a country’s central bank usually sets the monetary policy that attempts to regulate the supply of money into the country.

Overweight (exposure) – is an allocation to a country, region or sector greater than that of the index against which the Fund is benchmarked.

Peripheral – relates to non-essential activities such as non-central business operations.

Qualitative easing – a monetary policy method used by the government and/ or central bank to purchase riskier, lower quality and often less expensive financial assets in comparison to higher quality assets.

Quantitative easing – a method used by the government and/ or central bank increase the money flow into the economy by purchasing financial assets.

Reflation – when a government and/ or central bank implement policies aimed at reducing deflation.

Short position – is the sale of a borrowed security, commodity or currency, with the expectation that the asset will fall in value.

Small caps – refers to a company with a market capitalisation near the low end of the publicly traded spectrum. The boundaries that separate these classifications are not clearly defined and can vary according to the source.

Sovereign or Government bonds – are bonds issued by governments.

Spread sectors – non-governmental fixed income investments with higher yields at greater risk than governmental investments.

Underweight exposure – is an allocation to a country, region or sector less than that of the index against which the Fund is benchmarked.

Top-down – driven by broader economic and market themes rather than by company-specific factors.

Treasury yield – interest rates on borrowing that is paid by the government.

Underweight (exposure) – is an allocation to a country, region or sector less than that of the index against which the Fund is benchmarked.

US Federal Reserve – the central bank of the United States and the most powerful financial institution in the world.

User pays – the concept that products are most valuable the when the consumer has paid the full price for the goods and services consumed.

Utility – the asset class that represents investments in areas such as gas, electricity and water.

Volatility – the up and down movement so financial markets.

Yield – the amount in cash (in percentage terms) that returns to the owners of a security, in the form of interest or dividends received.

Yield curve – the curve that plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates.

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Important Information

Please note that past performance is no guide to future returns and you may not get back the amount originally invested. You should be aware that funds and stock market investments should normally be regarded as longer term investments and that they may not be suitable for everyone. Unlike a bank or building society account, the value of your investment can go down if you exercise any right to cancel, and you may not get back the amount originally invested if the share price has fallen since you invested.

A summary of risk factors for the Company is outlined below:

- Fluctuations in exchange rates may affect the value of an investment and any income derived from it. All Funds are permitted to hedge their currency exposure by way of forward currency contracts.
- Investments in the Funds may not be suitable for all investors. Investors should seek independent financial advice.
- The deductions for charges and expenses, in particular the entry charges, are not made uniformly throughout the life of the investment. If you cash in during the early years, you may not get back the amount initially invested.
- For any Fund, until they reach a sufficient size, the proportion of charges and expenses allocated to such a Fund may be higher and so the return on investment in the Fund is more affected by fees and charges than in more established Funds.

The Annual Report and Audited Financial Statements only provides brief information on each Fund which should not be relied upon in making an investment decision. Please refer to the relevant key investor information document and Prospectus for the Company for full description of objectives and risk factors for each Fund.

Each of the investment management companies listed in the brochure is affiliated with the ACD through common control and ownership by Legg Mason, Inc., except for Shiozumi Asset Management Company Limited. The ACD provides its clients with access to such affiliates primarily through its range of Funds within the Company, in which such affiliates serve as investment manager or sub-investment manager. While some of the affiliates are authorised or licensed to conduct business in one or more European jurisdictions, they are not authorised to offer their investment advisory services in all European jurisdictions. Investors' access to such affiliates may be limited to investing only in the Company.

Any eligible complainant having any complaint in respect of the Fund should inform the ACD in writing of the details of the complaint to the Complaints Manager at Legg Mason Investments, 201 Bishopsgate, London EC2M 3AB. This will then be investigated and a reply provided as soon as possible and any appropriate remedial action taken. In addition, eligible complainants will have a right of complaint directly to the Financial Ombudsman Service if he/she is not satisfied with the outcome of the investigation into the complaint. Details of the Financial Services Compensation Scheme established under the Financial Services and Market Act 2000, under which an investor may be entitled to receive compensation if the ACD is unable to meet any of its liabilities to the investor, are available on written request from the ACD.

You can find further information on the range of sub-funds within Legg Mason Funds ICVC by visiting Legg Mason Investments' website on: **www.leggmason.co.uk**

The website provides up to date information on the range of sub-funds including:

Prices - Access daily prices

Literature - Factsheets providing the latest information on each sub-fund

Investment Managers - More information about Legg Mason's asset management affiliates managing the sub-funds

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