

Prepared on: 15/03/21

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

LEGG MASON WESTERN ASSET ASIAN BOND TRUST (THE “TRUST”)

Product Type	Unit Trust	Inception Date	23 December 1996
Managers	Legg Mason Asset Management Singapore Pte. Limited	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 31 March 2020	1.28% (Class A (SGD) Accumulating Units)
Name of Guarantor	N/A		
PRODUCT SUITABILITY			
WHO IS THE PRODUCT SUITABLE FOR? <ul style="list-style-type: none"> • The Trust is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> ○ want to invest in Asian markets, but may want an interesting alternative to the more usual equity investment route; ○ require less volatile returns than those usually associated with that of equity investments; ○ are looking for portfolio diversification and steadier returns. <p>You should consult your financial adviser if in doubt whether this product is suitable for you.</p>			<u>Further Information</u> Refer to “Investment Objective, Focus and Approach” section in Paragraph 6.4 of the Prospectus for further information on product suitability.
KEY PRODUCT FEATURES			
WHAT ARE YOU INVESTING IN? <ul style="list-style-type: none"> • You are investing in a unit trust constituted in Singapore that seeks to maximise returns over the long term by investing mainly in the bond markets of Asia’s developing economies. There is no target industry or sector. • If you invest in a distributing Class, you may receive distributions at such frequencies as may be prescribed for that Class. Distributions may be made out of income, net capital gains and/or capital and will be at the Managers’ sole discretion. Distributions out of capital made by a Class will result in the erosion of capital for investors in that Class. 			Refer to “Basic Information”, “Structure of the Trust and Classes of Units” and “Investment Objective, Focus and Approach” sections in Paragraphs 1, 5 and 6 of the Prospectus for further information on features of the product.
Investment Strategy			
<ul style="list-style-type: none"> • The Sub-Manager will pursue an active but prudent approach which employs fundamental economic and market analysis to take maximum 			Refer to “Investment

¹ The Prospectus is available for collection at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987 during normal business hours or accessible at <https://www.leggmason.com/en-sg.html>.

<p>advantage of short and medium to long term investment opportunities in interest rate and currency trends of the bond markets.</p> <ul style="list-style-type: none"> • The Trust will invest primarily (either directly or through investment in other collective investment schemes) in debt securities issued by governments, government linked companies and corporations in developing Asia, territories such as Malaysia, Indonesia, Thailand, the Philippines, China, India, Vietnam, Cambodia, Macau, Mongolia, Pakistan and Sri Lanka (or such other developing Asia territories as the Sub-Manager may from time to time deem appropriate). • The Trust may also invest in other Asia territories including but not limited to Singapore, South Korea, Taiwan, Hong Kong S.A.R., Australia and New Zealand. • The Trust seeks to invest at least 50% of its non-S\$ investments in bonds (i) with minimum BBB rating (or equivalent by Moody's or S&P); (ii) issued by sovereign states, governments or sovereign related issuers; (iii) issued by bank issuers; or (iv) that are 100% collateralised bonds. • To limit foreign exchange risks, non-S\$ currency exposure will be substantially hedged with a minimum of 70% of the Trust to be in S\$ after hedging. • To ensure a greater degree of liquidity, the Trust will not invest in more than 5% of the aggregate issued and outstanding securities of any single issue. • Derivatives may be used for hedging or efficient portfolio management purposes only. 	<p>Objective, Focus and Approach" section in Paragraph 6 of the Prospectus for further information on the investment strategy of the product.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • The Managers are Legg Mason Asset Management Singapore Pte. Limited. • The Sub-Manager is Western Asset Management Company Pte. Ltd.. • The Trustee is HSBC Institutional Trust Services (Singapore) Limited. • The Custodian is The Hongkong and Shanghai Banking Corporation Limited. 	<p>Refer to "The Managers and the Sub-Manager" and "The Trustee, the Administrator, the Custodian and the Registrar" sections in Paragraphs 2 and 3 of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>You should consider and satisfy yourself as to the risks of investing in the Trust. Some of the risk factors that should be considered are economic, interest rate, political, liquidity, default, foreign exchange, regulatory, repatriation risks and the risks of investing in warrants.</p> <p>An investment in the Trust is meant to produce returns over the long term. You should not expect to obtain short-term gains from such investments.</p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:</p>	<p>Refer to "Risks" section in Paragraph 8 of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<ul style="list-style-type: none"> • You are exposed to market risk in Asian markets – Investments in the Trust are subject to the usual market risks in Asian markets that the Trust invests in (such as economic factors like fluctuations in interest and inflation rates). • You are exposed to emerging markets risk – The Trust may invest in emerging markets. Such investments may involve political, regulatory and repatriation risks, and risks associated with liquidity, relatively small market capitalisation, relatively higher price volatility, lower disclosure standards, 	

susceptibility to financial shocks, and economic and social uncertainty.												
<ul style="list-style-type: none">• You are exposed to interest rate risk – Any investments by the Trust in bonds, debentures, loan stocks, convertibles and other debt securities may rise or decline in value if interest rates change. In general, the price of debt securities rises when interest rates fall, and fall when interest rates rise.• You are exposed to currency risk – The income earned by the Trust may be affected by fluctuations in foreign exchange rates. The Managers or (as the case may be) the Sub-Manager will actively monitor and manage the Trust's exposure to adverse foreign exchange risks by hedging through the forwards or futures markets up to 100% of the Trust's exposure. You may be exposed to an additional exchange rate risk if you invest in a Class that is designated in a currency other than in Singapore Dollars.• You are exposed to debt securities risk – Issuers of bonds and other debt securities held by the Trust may default on their obligations despite careful selection of issuers.												
Liquidity Risks												
<ul style="list-style-type: none">• The Trust is not listed and you can only redeem on Dealing Days – There is no secondary market for the Trust. All redemption requests should be made to the relevant approved agent or distributor through whom Units in the Trust were purchased.• You may not be able to redeem on a Dealing Day if a redemption limit is imposed – There may be a 10% limit on the number of Units that can be redeemed on any Dealing Day.• You will not be able to redeem when redemption is suspended – Your right to redeem Units may be temporarily suspended under certain circumstances.• You are exposed to liquidity risk of the Trust's investments – Marketability of quoted securities in some Asian markets may be limited due to foreign restrictions, wide dealing spreads, the restricted opening hours of stock exchanges and a narrow range of investors. Trading volume and market capitalisation may be lower than the more developed markets.		Refer to "Realisation of Units" and "Suspension of Dealing" sections in Paragraphs 11 and 13 of the Prospectus for further information.										
Product-Specific Risks												
<ul style="list-style-type: none">• You are exposed to derivatives risk – The Trust may invest in derivatives for purposes of hedging and/or efficient portfolio management. Derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. The value of derivative instruments is subject to market risks and may fall in value as rapidly as it may rise and it may not always be possible to dispose of such instruments during such fall in value.												
FEES AND CHARGES												
WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT? <u>Payable directly by you</u> <ul style="list-style-type: none">• You will need to pay the following fees and charges as a percentage of your gross investment sum for all Class A: <table><tr><td>Preliminary Charge</td><td>Currently 3% (Maximum 5%)</td></tr><tr><td>Realisation Charge</td><td>Currently NIL (Maximum 2%)</td></tr></table> <p>The approved agents or distributors through whom you subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges.</p> <p><u>Payable by the Trust from invested proceeds</u></p> <ul style="list-style-type: none">• The Trust will pay the following fees and charges to the Managers and Trustee: <table><tr><td>Annual Management Fee</td><td>Currently 1% p.a. (Maximum 1.50% p.a.)</td></tr><tr><td>(a) Retained by Managers</td><td>for all Class A</td></tr><tr><td>(b) Paid by Managers to approved agents or distributors (trailer fee)</td><td>(a) 35% to 100%² of Annual Management Fee (b) 0% to 65%² of Annual Management Fee</td></tr></table>		Preliminary Charge	Currently 3% (Maximum 5%)	Realisation Charge	Currently NIL (Maximum 2%)	Annual Management Fee	Currently 1% p.a. (Maximum 1.50% p.a.)	(a) Retained by Managers	for all Class A	(b) Paid by Managers to approved agents or distributors (trailer fee)	(a) 35% to 100% ² of Annual Management Fee (b) 0% to 65% ² of Annual Management Fee	Refer to "Fees and Charges" section in Paragraph 7 of the Prospectus for further information on fees and charges.
Preliminary Charge	Currently 3% (Maximum 5%)											
Realisation Charge	Currently NIL (Maximum 2%)											
Annual Management Fee	Currently 1% p.a. (Maximum 1.50% p.a.)											
(a) Retained by Managers	for all Class A											
(b) Paid by Managers to approved agents or distributors (trailer fee)	(a) 35% to 100% ² of Annual Management Fee (b) 0% to 65% ² of Annual Management Fee											

² The range may change from time to time. Your approved agent or distributor is required to disclose to you the amount of trailer fee it receives from the Managers.

Annual Trustee Fee	Currently 0.075% p.a. on 1 st S\$10 million. 0.05% p.a. on balance of S\$10 million and above. Maximum 0.125% p.a. subject always to a minimum of S\$15,000 p.a.																				
Other Fees and Charges constituting 0.1% or more of the Trust's asset value*	Nil																				
*based on the Trust's audited accounts for the financial year ended 31 March 2020																					
VALUATIONS AND EXITING FROM THIS INVESTMENT																					
HOW OFTEN ARE VALUATIONS AVAILABLE? The indicative net asset value of the Trust is published on each day on the Managers' website at https://www.leggmason.com/en-sg.html . The actual net asset value is normally published 2 Business Days after the relevant Dealing Day.		Refer to "Subscription of Units", "Realisation of Units" and "Obtaining Prices of Units" sections in Paragraphs 9.6, 11 and 12 of the Prospectus for further information on valuation and exiting from the product.																			
HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO? <ul style="list-style-type: none">You can exit the Trust on any Dealing Day by submitting a realisation request form to the relevant approved agent or distributor through whom you purchased your Units.If you are a first-time investor, you can exit the Trust without incurring the preliminary charge stated above, by submitting a cancellation request form to the relevant approved agent or distributor through whom you purchased your Units, within the cancellation period of 7 calendar days from date of your subscription. The cancellation proceeds payable in relation to the cancellation will be determined as the lower of the market value or the original subscription amount paid by the investor at the time of the subscription or purchase.In the case of partial realisation, the minimum holding is 1,000 Units or the number of Units which were or would have been purchased for S\$1,000 at the prevailing issue price at the time of your initial subscription. The minimum realisation amount is 100 Units.You will receive the realisation proceeds within 4 Business Days from the time the Managers receive and accept your request to exit from the Trust.Your exit price is determined as follows (please note approved agents and distributors may impose a different cut-off time):<ul style="list-style-type: none">If you submit the realisation order before 5pm on a Dealing Day, you will be paid a price based on the realisation price on that Dealing day.If you submit the realisation order after 5pm, you will be paid a price based on the realisation price on the next relevant Dealing day.The realisation proceeds that you will receive will be the exit price multiplied by the number of Units sold, less any charges. An example is as follows: <table><tr><td>Units held</td><td>X</td><td>Realisation price</td><td>=</td><td>Gross Realisation Proceeds</td></tr><tr><td>1,000</td><td>X</td><td>S\$1.100</td><td>=</td><td>S\$1,100</td></tr><tr><td>Gross Realisation Proceeds</td><td>-</td><td>Realisation charge</td><td>=</td><td>Net Realisation Proceeds</td></tr><tr><td>S\$1,100</td><td>-</td><td>S\$0.00</td><td>=</td><td>S\$1,100</td></tr></table>			Units held	X	Realisation price	=	Gross Realisation Proceeds	1,000	X	S\$1.100	=	S\$1,100	Gross Realisation Proceeds	-	Realisation charge	=	Net Realisation Proceeds	S\$1,100	-	S\$0.00	=
Units held	X	Realisation price	=	Gross Realisation Proceeds																	
1,000	X	S\$1.100	=	S\$1,100																	
Gross Realisation Proceeds	-	Realisation charge	=	Net Realisation Proceeds																	
S\$1,100	-	S\$0.00	=	S\$1,100																	
CONTACT INFORMATION																					
HOW DO YOU CONTACT US? <ul style="list-style-type: none">For account-related matters and product information, kindly contact the approved agent or distributor through whom you purchased your Units.For product-related queries, kindly contact Legg Mason Asset Management Singapore Pte. Limited (Registration Number (UEN): 200007942R) at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987 (address), +65 6241 2662 (tel.), https://www.leggmason.com/en-sg.html (website). Client Dealer Services Representative is available at +65 6337 3933 (tel.), cdsspr@franklintempleton.com (email).																					

APPENDIX: GLOSSARY OF TERMS

All capitalised terms used in this Product Highlight Sheet and not otherwise defined herein have the meanings set forth in the Prospectus.

Business Day : Any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore.

Dealing Day : In connection with the issuance and realisation of Units, means every Business Day or such Business Day or Business Days at such intervals as the Managers may from time to time determine provided that reasonable notice of any such determination shall be given by the Managers to all holders at such time and in such manner as the Trustee may approve.