

Legg Mason Asian Bond Trust

The Edge-Lipper Singapore Fund Awards 2008 - Best Asia Pacific Bond Fund (3 Years and 5 Years)

MANAGER

Legg Mason Asset Management
Singapore Pte. Limited

SUB-MANAGER

Western Asset Management
Company Pte Ltd

ABOUT THE FUND

The Fund aims to maximise returns over the long term by investing mainly in the bond markets of Asia's developing economies.

FUND DETAILS

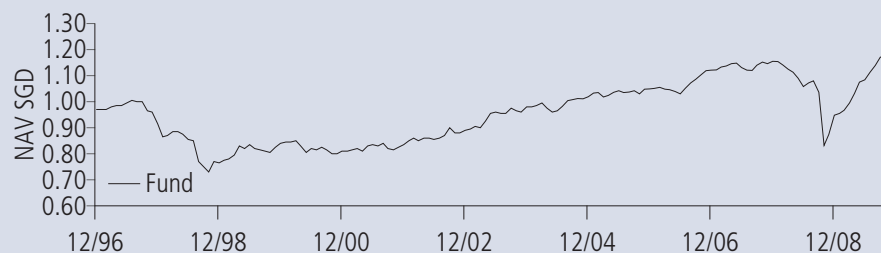
Currency	Singapore Dollar
Inception	23 December 1996
Launch Price	SGD 1.00
Subscription	Cash or SRS
Minimum Investment	SGD 1,000
Subsequent Investment	SGD 100
Preliminary Charge	3%
Realisation Charge	Nil
Management Fee	1% p.a.
Trading Frequency	Daily
ISIN Code	SG9999005185
Bloomberg Ticker	RCASBDT SP

FUND SNAPSHOT

	Unit NAV
NAV	SGD 1.184
High*	SGD 1.184
Low*	SGD 0.730

* Based on since inception month end prices

Fund Size SGD 55 million

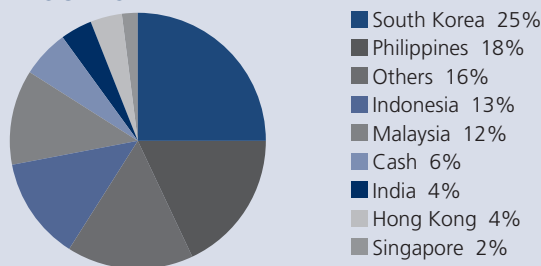


PERFORMANCE

	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Fund ⁺	24.89%	3.95%	35.47%	1.90%	3.21%	1.55%
Benchmark	24.89%	4.62%	34.32%	6.43%	6.56%	N/A
Load-adjusted returns**	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Fund ⁺	21.15%	0.83%	31.41%	0.87%	2.58%	1.31%

- ⁺ Annualised for periods over one year with net income and dividends reinvested, if any. With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing. Source: Lipper
- ^{**} Inclusive of preliminary charge.
- From Nov 06, benchmark is Customised JP Morgan Asian Credit Index, Sovereign & Quasi Sovereign, fully hedged into SGD. From Oct 02 to Oct 06, benchmark was JP Morgan Asian Credit Index - Sovereign and Quasi Sovereign (Hedged in S\$). Since Jan 99 to Sep 02, benchmark was JP Morgan Asian Credit Index Sovereign (Hedged in S\$).

COUNTRY ALLOCATION



TOP FIVE HOLDINGS

Holding	Country
Export-Import Bank of Korea 5.875% 01/2015	South Korea
Indonesia Govt Bond 6.625% 02/2037	Indonesia
National Power Corp 6.875% 11/2016	Philippines
Petronas Capital Ltd 5.25% 08/2019	India
Philippine Govt Bond 9.5% 02/2030	Philippines

FOR MORE INFORMATION

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MANAGER'S COMMENTS

- Asian bonds had a positive month in November with a balanced contribution from local bonds, currencies and credit. The Asian local bond market as measured by the HSBC Asian Local Bond Index rose 1.78%, Asian external bonds as measured by the JPMorgan Asian Credit Index rose 1.83% and the Asian high-yield bond sector was flat. The top local bond market performers were South Korea and Hong Kong, and all of the domestic bond markets and major Asian currencies rallied during the month.
- The cyclical recovery in the global economy powered by synchronous monetary and fiscal policy expansions in most major economies should continue to benefit Asian economies and financial markets. We expect to see a progressive broadening of the recovery at a pace that will not trigger policy tightening during most of 2010. Capital should continue to flow to growth opportunities, and Asia offers quite a few. Commodity prices may have already anticipated the recovery and might be more stable in the year to come.
- We will maintain an underweight duration position in bonds until the market offers an attractive premium to compensate investors for the risk of interest rate hikes. We also continue to favor Asian corporate bonds. While we are likely to see an increase in issuance, the strong recovery in Asia will be very positive for Asian companies, especially those that depend on the regional and domestic economies. Therefore, we expect the Asian high-yield corporate bond market to perform well in 2010. However, returns will likely be lower than last year as most of the bonds are no longer at distressed prices.

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