

Performance Disclosure

December 31, 2016

Total Return Unconstrained (TRU) Bond Composite

Composite Inception Date: 07/01/2004 | Composite Creation Date: 10/01/2004

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2007	4	2.53%	1.92%	-na-	2.19%	-na-	-na-	\$5,410	0.87%	\$621,493
2008	4	-14.62%	-15.14%	-na-	7.18%	-na-	-na-	\$5,294	1.05%	\$505,660
2009	4	32.41%	31.64%	-na-	9.37%	-na-	-na-	\$4,585	0.95%	\$482,218
2010	4	9.42%	8.77%	-na-	9.45%	-na-	-na-	\$4,442	0.98%	\$453,909
2011	4	1.74%	1.14%	-na-	5.97%	-na-	-na-	\$4,019	0.91%	\$443,140
2012	3	9.91%	9.26%	-na-	2.99%	-na-	-na-	\$4,113	0.89%	\$461,891
2013	4	2.20%	1.59%	-na-	2.63%	-na-	-na-	\$4,968	1.10%	\$451,632
2014	5	3.46%	2.84%	-na-	2.07%	-na-	-na-	\$5,709	1.23%	\$466,036
2015	5	0.37%	-0.23%	-na-	2.02%	-na-	-na-	\$5,504	1.27%	\$433,747
2016	7	5.59%	4.96%	-na-	3.21%	-na-	-na-	\$4,509	1.08%	\$419,207

Description: Western Asset's Total Return Unconstrained (TRU) Bond Composite includes portfolios that employ actively managed, diversified fixed-income portfolios. Portfolio construction is based on Western Asset's fundamental view of the fixed-income markets and is independent of broad market benchmarks. The approach is to construct a portfolio in which the manager intends to actively manage sector, duration and term structure exposure.

Objective: Maximize return consistent with the current market environment and outperform the broad market over the course of a market cycle.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** No minimum asset size requirement.

Current Fee Schedule: .60 of 1% on the first \$100 million, .40 of 1% on amounts over \$100 million.

Examination Period: The Composite has been examined for the period from July 1, 2004 to December 31, 2016.

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2016.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd., Western Asset Management Company Ltd, Western Asset Management Company Pty Ltd, and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne, São Paulo, Hong Kong, and Dubai. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a Firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset, and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance-based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for the commingled funds in the Composite are calculated daily using net asset values (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts.

Composite returns are measured against a benchmark. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent verifiers.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation is not presented for periods where 36 monthly returns are not available for the composite or the benchmark. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent verifiers.

Past investment results are not indicative of future investment results.

Western Asset's list of composite descriptions is available upon request. Please contact Jan Pieterse at 626-844-9977 or jan.pieterse@westernasset.com. All returns for strategies with inception prior to January 1, 2007 are available upon request.

Rolling 1-Year Performance Returns Period Ending:	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14	31 Dec 13
Global Total Return (gross of fees)	6.45%	1.38%	1.17%	7.47%	-0.98%
Global Total Return (net of fees)	5.82%	0.78%	0.57%	6.84%	-1.57%

Past investment results are not indicative of future investment results. Source for performance figures is Western Asset. Please refer to the Performance Disclosure for more information. Currency exchange rate fluctuations will impact the value of your investment.

The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.

Investment Risks:

The strategy does not offer any capital guarantee or protection and you may not get back the amount invested. The strategy is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

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 strategy. These types of investments may also be difficult for the strategy to sell quickly.

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

Concentrated: The strategy's investment approach may result in the strategy being focused in one, or a small number of, countries, sectors or asset classes compared to other investment strategies. This means that the strategy may be more sensitive to economic, market, political or regulatory events than other strategies that invests across a broader range of countries, sectors and asset classes.

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

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

Derivatives: The strategy makes significant use of derivatives. The use of derivatives can result in greater fluctuations of the strategy's value.

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

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

Performance Disclosure

December 31, 2016

Global Total Return Composite

Composite Inception Date: 01/01/2006 | Composite Creation Date: 03/31/2013

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2007	1	5.89%	5.26%	-na-	-na-	-na-	-na-	\$88	0.01%	\$621,493
2008	1	5.99%	5.37%	-na-	3.06%	-na-	-na-	\$93	0.02%	\$505,660
2009	1	9.23%	8.58%	-na-	4.01%	-na-	-na-	\$94	0.02%	\$482,218
2010	2	7.31%	6.67%	-na-	4.34%	-na-	-na-	\$91	0.02%	\$453,909
2011	2	4.79%	4.17%	-na-	5.76%	-na-	-na-	\$90	0.02%	\$443,140
2012	2	10.53%	9.88%	-na-	5.49%	-na-	-na-	\$95	0.02%	\$461,891
2013	2	-0.98%	-1.57%	-na-	6.02%	-na-	-na-	\$84	0.02%	\$451,632
2014	2	7.47%	6.84%	-na-	4.23%	-na-	-na-	\$82	0.02%	\$466,036
2015	4	1.17%	0.57%	-na-	3.87%	-na-	-na-	\$361	0.08%	\$433,747
2016	3	1.38%	0.78%	-na-	2.86%	-na-	-na-	\$341	0.08%	\$419,207

Description: Western Asset's Global Total Return Composite includes portfolios that employ actively, team-managed investment approach around a long-term, value-oriented investment philosophy. The strategy utilizes an opportunistic fixed-income approach, independent of any traditional bond index benchmark, which seeks to maximize total return through active macro strategies and tactical asset allocation across the global fixed-income opportunity set. It does this primarily by identifying relative value among securities and sectors in the investment-grade global fixed-income and currency markets. Strategies employed include duration and yield curve positioning, currency allocation / hedging, relative-value trading as well as sector rotation and issuer selection; while emphasizing macro strategies.

Objective: Seeks to maximize total return consistent with the current market environment independent of market direction and outperform the global broad market over the course of a market cycle.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** No minimum asset size requirement.

Current Fee Schedule: .60 of 1% on the first \$100 million, .40 of 1% on amounts over \$100 million.

Examination Period: The Composite has been examined for the period from January 1, 2014 to December 31, 2016.

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2016.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd., Western Asset Management Company Ltd, Western Asset Management Company Pty Ltd, and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne, São Paulo, Hong Kong, and Dubai. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a Firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset, and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance-based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for the commingled funds in the Composite are calculated daily using net asset values (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts.

Composite returns are measured against a benchmark. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent verifiers.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation is not presented for periods where 36 monthly returns are not available for the composite or the benchmark. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent verifiers.

Past investment results are not indicative of future investment results.

Western Asset's list of composite descriptions is available upon request. Please contact Jan Pieterse at 626-844-9977 or jan.pieterse@westernasset.com. All returns for strategies with inception prior to January 1, 2007 are available upon request.

Rolling 1-Year Performance Returns Period Ending:	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14	31 Dec 13
Multi-Asset Credit (gross of fees)	9.15%	9.56%	-2.35%	5.21%	2.36%
Multi-Asset Credit (net of fees)	8.51%	8.91%	-2.93%	4.69%	1.95%

Past investment results are not indicative of future investment results. Source for performance figures is Western Asset. Please refer to the Performance Disclosure for more information. Currency exchange rate fluctuations will impact the value of your investment.

The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.

Investment Risks:

The strategy does not offer any capital guarantee or protection and you may not get back the amount invested. The strategy is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

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 strategy. These types of investments may also be difficult for the strategy to sell quickly.

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

Concentrated: The strategy's investment approach may result in the strategy being focused in one, or a small number of, countries, sectors or asset classes compared to other investment strategies. This means that the strategy may be more sensitive to economic, market, political or regulatory events than other strategies that invests across a broader range of countries, sectors and asset classes.

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

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

Derivatives: The strategy makes significant use of derivatives. The use of derivatives can result in greater fluctuations of the strategy's value.

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

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

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

Performance Disclosure

December 31, 2016

Multi-Asset Credit Composite

Composite Inception Date: 10/01/2010 | Composite Creation Date: 07/17/2013

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2007	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$621,493
2008	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$505,660
2009	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$482,218
2010 ¹	1	0.23%	0.13%	-na-	-na-	-na-	-na-	\$472	0.10%	\$453,909
2011	1	8.29%	7.86%	-na-	-na-	-na-	-na-	\$464	0.10%	\$443,140
2012	1	13.93%	13.48%	-na-	-na-	-na-	-na-	\$478	0.10%	\$461,891
2013	1	2.36%	1.95%	-na-	4.27%	-na-	-na-	\$393	0.09%	\$451,632
2014	3	5.21%	4.69%	-na-	3.99%	-na-	-na-	\$515	0.11%	\$466,036
2015	4	-2.35%	-2.93%	-na-	4.23%	-na-	-na-	\$615	0.14%	\$433,747
2016	6	9.56%	8.91%	-na-	4.18%	-na-	-na-	\$879	0.21%	\$419,207

Description: Western Asset's Multi-Asset Credit Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios seek to generate income from diversified investments in high yielding securities from all sectors of the global fixed-income market. The approach is to construct a diversified portfolio of global high income securities, including investment-grade credit, non-dollar, high yield, bank loan, emerging markets, and structured securities. We seek to add value through sector rotation, yield curve positioning, issue selection, duration management, country selection, and currency positioning.

Objective: Maximize return consistent with the current market environment and outperform the broad market over the course of a market cycle.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** No minimum asset size requirement.

Current Fee Schedule: .60 of 1% on the first \$100 million, .40 of 1% on amounts over \$100 million.

Examination Period: The Composite has been examined for the period from January 1, 2013 to December 31, 2016.

¹Partial period return (October 1, 2010 to December 31, 2010).

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2016.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

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The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset, and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance-based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for the commingled funds in the Composite are calculated daily using net asset values (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts.

Composite returns are measured against a benchmark. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent verifiers.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation is not presented for periods where 36 monthly returns are not available for the composite or the benchmark. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent verifiers.

Past investment results are not indicative of future investment results.

Western Asset's list of composite descriptions is available upon request. Please contact Jan Pieterse at 626-844-9977 or jan.pieterse@westernasset.com. All returns for strategies with inception prior to January 1, 2007 are available upon request.

Rolling 1-Year Performance Returns Period Ending:	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14	31 Dec 13
Global Multi-Sector (gross of fees)	8.25%	12.35%	-3.84%	3.23%	-1.67%
Global Multi-Sector (net of fees)	7.82%	11.90%	-4.22%	2.82%	-2.06%

Past investment results are not indicative of future investment results. Source for performance figures is Western Asset. Please refer to the Performance Disclosure for more information. Currency exchange rate fluctuations will impact the value of your investment.

The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.

Investment Risks:

The strategy does not offer any capital guarantee or protection and you may not get back the amount invested. The strategy is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

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 strategy. These types of investments may also be difficult for the strategy to sell quickly.

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

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

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

Derivatives: The strategy makes significant use of derivatives. The use of derivatives can result in greater fluctuations of the strategy's value.

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

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

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

Performance Disclosure

December 31, 2016

Global Multi-Sector (USD Unhedged) Composite

Composite Inception Date: 11/01/1996 | Composite Creation Date: 11/01/1996

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2007	3	7.77%	7.35%	-na-	4.02%	-na-	-na-	\$1,349	0.22%	\$621,493
2008	5	-13.70%	-14.05%	-na-	8.86%	-na-	-na-	\$1,706	0.34%	\$505,660
2009 ¹	5	32.78%	32.26%	-na-	11.43%	-na-	-na-	\$2,185	0.45%	\$482,218
2010	4	10.15%	9.71%	-na-	11.89%	-na-	-na-	\$2,494	0.55%	\$453,909
2011	4	3.74%	3.33%	-na-	8.91%	-na-	-na-	\$2,701	0.61%	\$443,140
2012	5	11.90%	11.46%	-na-	5.86%	-na-	-na-	\$3,117	0.67%	\$461,891
2013	5	-1.67%	-2.06%	-na-	5.62%	-na-	-na-	\$2,707	0.60%	\$451,632
2014	4	3.23%	2.82%	-na-	4.92%	-na-	-na-	\$2,526	0.54%	\$466,036
2015	4	-3.84%	-4.22%	-na-	5.17%	-na-	-na-	\$1,714	0.40%	\$433,747
2016	4	12.35%	11.90%	-na-	5.39%	-na-	-na-	\$1,524	0.36%	\$419,207

Description: Western Asset's Global Multi-Sector (USD Unhedged) Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies and all sectors of the fixed-income market in seeking to add value while minimizing risk. The approach is to construct a strategic multi-sector portfolio by investing in global fixed-income markets and currencies. Primarily, these are mortgage-backed and asset-backed securities, high-yield corporate securities, investment-grade corporate securities and emerging market securities.

Objective: Maximise total return from income and capital appreciation within a volatility target of 5%-7%.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** \$25 million as of 4/1/07 (previously \$5 million).

Current Fee Schedule: .40 of 1% on the first \$100 million, .20 of 1% on amounts over \$100 million.

Examination Period: The Composite has been examined for the period from November 1, 1996 to December 31, 2016.

¹The Composite returns and summary information have been restated to historically include one account that was previously excluded due to strategy misclassification. Such restatement resulted in a change to the Annual Gross and Net Total Return for 2009 -0.14% and -0.15%.

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2016.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd., Western Asset Management Company Ltd, Western Asset Management Company Pty Ltd, and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne, São Paulo, Hong Kong, and Dubai. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a Firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset, and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance-based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net or trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for the commingled funds in the Composite are calculated daily using net asset values (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts.

Composite returns are measured against a benchmark. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent verifiers.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation is not presented for periods where 36 monthly returns are not available for the composite or the benchmark. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent verifiers.

Past investment results are not indicative of future investment results.

Western Asset's list of composite descriptions is available upon request. Please contact Jan Pieterse at 626-844-9977 or jan.pieterse@westernasset.com. All returns for strategies with inception prior to January 1, 2007 are available upon request.

Rolling 1-Year Performance Returns Period Ending:	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14	31 Dec 13
Macro Opportunities (gross of fees)	16.05%	8.38%	2.86%	9.66%	7.57%
Macro Opportunities (net of fees)	14.92%	7.31%	1.84%	8.67%	6.85%

Past investment results are not indicative of future investment results. Source for performance figures is Western Asset. Please refer to the Performance Disclosure for more information. Currency exchange rate fluctuations will impact the value of your investment.

The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.

Investment Risks:

The strategy does not offer any capital guarantee or protection and you may not get back the amount invested. The strategy is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

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 strategy. These types of investments may also be difficult for the strategy to sell quickly.

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

Concentrated: The strategy's investment approach may result in the strategy being focused in one, or a small number of, countries, sectors or asset classes compared to other investment strategies. This means that the strategy may be more sensitive to economic, market, political or regulatory events than other strategies that invests across a broader range of countries, sectors and asset classes.

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

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

Derivatives: The strategy makes significant use of derivatives. The use of derivatives can result in greater fluctuations of the strategy's value.

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

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

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

Macro Opportunities Composite

Composite Inception Date: 04/01/2012 | Composite Creation Date: 05/14/2012

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2007	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$621,493
2008	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$505,660
2009	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$482,218
2010	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$453,909
2011	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$443,140
2012 ¹	1	17.28%	16.77%	-na-	-na-	-na-	-na-	\$112	0.02%	\$461,891
2013	2	7.57%	6.85%	-na-	-na-	-na-	-na-	\$745	0.16%	\$451,632
2014	8	9.66%	8.67%	-na-	-na-	-na-	-na-	\$5,184	1.11%	\$466,036
2015	8	2.86%	1.84%	-na-	4.61%	-na-	0.24%	\$7,409	1.71%	\$433,747
2016	9	8.38%	7.31%	-na-	6.25%	-na-	0.25%	\$7,915	1.89%	\$419,207

Description: Western Asset's Macro Opportunities Composite is an unconstrained, global macro strategy that focuses on long-term value investing and active management of duration, yield curve and volatility. It does this primarily by identifying relative value among securities and sectors in global fixed-income markets.

Objective: Maximize total return with less than 10% annualized volatility.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** \$40 million as of 1/1/16 (previously \$1 million)

Current Fee Schedule: 1% on all assets.

Examination Period: The Composite has been examined for the period from April 1, 2012 to December 31, 2016.

¹Partial period return (April 1, 2012 to December 31, 2012).

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