



Product Disclosure Statement

Legg Mason Property Securities Trust

12 APRIL 2007



Important information

Legg Mason Asset Management, as Responsible Entity of the Trust, has prepared this Product Disclosure Statement for the Legg Mason Property Securities Trust (ARSN 088 677 187). Throughout this Product Disclosure Statement:

- “Legg Mason Asset Management” means Legg Mason Asset Management Australia Limited (ABN 76 004 835 849 Australian Financial Services Licence number 240827);
- “PDS” means this Product Disclosure Statement;
- “the Trust” means the Legg Mason Property Securities Trust (ARSN 088 677 187);
- “Responsible Entity” means the Responsible Entity of the Trust, being Legg Mason Asset Management;
- “IDPS” means investor directed portfolio service or a like scheme;
- “Corporations Act” means the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth);
- “the Constitution” means the Constitution of the Legg Mason Property Securities Trust;
- “GST” means goods & services tax and “RITC” means reduced input tax credits. Unless otherwise stated, all fees and costs quoted in this PDS are inclusive of GST less any RITC. The current rate of GST is 10%. If this rate changes, Legg Mason Asset Management may adjust fees accordingly;
- “Business Day” means any day on which banks are open for business in Melbourne, Australia;
- “dollars” and “\$” means the lawful currency of the Commonwealth of Australia unless otherwise specified;
- “NAV” means net asset value;
- “you” or “your” means you as the reader and potential unitholder; and
- “us”, “our” and “we” means Legg Mason Asset Management.

Other terms in this PDS are defined in the Glossary of this PDS.

This PDS is prepared for your general information only. It is not intended to be a recommendation by us, any associate of ours or any other person to invest in the Trust. The general information in this PDS does not take into account the investment objectives, financial situation or needs of any particular investor.

Consequently, you should consider, with or without the advice of an investment adviser, whether the Trust is appropriate for you in view of your financial situation, investment objectives and needs. Only information and representations contained in this PDS may be relied upon as having been authorised by Legg Mason Asset Management. No person is authorised to give any information or make any representation in connection with the offer that is not contained in this PDS.

Legg Mason Asset Management issues units in the Trust under the terms and conditions described in this PDS and the Constitution. You should read this PDS because you will be bound by it if you become a Trust unitholder. A copy of the Constitution is available by calling Legg Mason Asset Management on 1800 679 541. Units in the Trust are only available to investors receiving this PDS in Australia and will only be issued to investors who are eligible to subscribe for units as set out in this PDS.

Investments in the Trust are not investments, deposits or other liabilities of, and are not guaranteed by, Legg Mason Asset Management (or any other member of the Legg Mason, Inc. group of companies). Investments are subject to risks, including possible delays in the payment of redemption proceeds, and loss of capital (and income) invested. Information in this PDS that is not materially adverse information is subject to change from time to time and may be updated by the Responsible Entity. For further information at any time, please contact Legg Mason Asset Management on 1800 679 541. This information may also be available at www.leggmason.com.au. A paper copy of any updated information will be provided to you without charge on request. If the change is considered to be materially adverse a new or supplementary PDS will be issued. These updates should be read in conjunction with the latest PDS.

ABOUT LEGG MASON ASSET MANAGEMENT

Legg Mason Asset Management is the Australian asset management business of Legg Mason, Inc., a pre-eminent global asset management firm. Legg Mason Asset Management is the holder of an Australian Financial Services Licence and is a separate entity within the Legg Mason, Inc. group of companies.

Legg Mason, Inc. is a leading “pure play” global asset management firm that is listed on the New York Stock Exchange. Through its asset management affiliates, Legg Mason, Inc. managed assets totalling US\$945 billion at 31 December 2006. Legg Mason, Inc.’s asset management affiliates include Batterymarch Financial Management, Legg Mason International Equities, Western Asset Management, Legg Mason Capital Management and The Permal Group.

In Australia, Legg Mason Asset Management offers an array of portfolio management services covering Australian, regional and global equity, fixed income and asset allocation strategies through its asset management affiliates.

Legg Mason Asset Management manages the underlying assets of the Trust. Legg Mason Asset Management is an Australian asset manager that utilises fundamental research and quantitative analysis focused on intrinsic value.

HOW TO CONTACT LEGG MASON ASSET MANAGEMENT

MELBOURNE

120 Collins Street
Melbourne Vic 3000
GPO Box 507
Melbourne Vic 3001

Client Services
Freecall: 1800 679 541
Facsimile: (03) 8643 9587
www.leggmason.com.au

Key Features of the Trust

FEATURE	SUMMARY INFORMATION	PAGE
<i>Inception Date</i>	January 1995.	
<i>Investment Objective</i>	To earn a before fees and tax return (over rolling three-year periods) of 1.5% p.a. in excess of the Benchmark.	
<i>Benchmark</i>	S&P/ASX 200 Property Trust Accumulation Index (a market index commonly used for an Australian property securities portfolio).	
<i>Investment Approach</i>	The Trust aims to achieve the Investment Objective through the active management of a diversified portfolio of listed property trusts and property related listed equities such as infrastructure stocks, broadly referred to as property securities. The Trust's ex-ante tracking error is expected to be in the range of 1.0% to 2.0% p.a. relative to the Benchmark.	4
<i>Key Risks</i>	A key risk is that the Benchmark's performance may be below the unitholder's expectation. In addition, the Trust may return less than the Benchmark performance as a result of active portfolio management.	5
<i>Minimum Initial Investment</i>	\$500,000. Legg Mason Asset Management has the discretion to accept lower amounts. This discretion will only be exercised if the client is a wholesale client (as defined in the Corporations Act).	
<i>Minimum Holding</i>	Currently \$500,000. However, where Legg Mason Asset Management has exercised its discretion to accept a lower initial investment, that lower amount will apply.	
<i>Fees and Other Costs</i>	<p>BUY / SELL SPREAD</p> <p>Entry Prices reflect a spread of +0.28% relative to the NAV and Exit Prices reflect a spread of -0.28% relative to the NAV, equating to \$1,400 for an application or redemption of \$500,000.</p> <p>MANAGEMENT FEE</p> <p>For Class A units: 0.636% p.a. (inclusive of GST post RITC), equating to \$3,180 for the year for a constant investment of \$500,000.</p> <p>For Class X units: 0.682% p.a. (inclusive of GST), equating to \$3,410 for the year for a constant investment of \$500,000.</p> <p>INDIRECT COST RATIO</p> <p>0.711% for the financial year to 30 June 2006, equating to \$3,555 for the year for a constant investment of \$500,000.</p> <p>Where fees and costs have been quoted to three decimal places they have been rounded to three decimal places.</p>	6
<i>Distributions</i>	Net income (if any) may be distributed after the Distribution Calculation Date at 31 December and will be distributed after the Distribution Calculation Date at 30 June each year.	11
<i>Unit Prices</i>	An Entry Price and an Exit Price, based on the Trust's NAV, will generally be determined for each Business Day.	11
<i>Eligible Investors</i> <i>Refer "Standing Application for Units" form</i>	Any person who is a "wholesale client" under Section 761G of the Corporations Act including those described in Section One of the "Standing Application for Units" form.	15
<i>Custodian and Administrator</i>	State Street Australia Limited.	16
<i>Complaints</i>	An established formal procedure exists for dealing with enquiries and / or complaints. The initial approach should be to call Legg Mason Asset Management on 1800 679 541.	17

Legg Mason Property Securities Trust

The Trust offers Eligible Investors:

- an actively managed exposure to property securities and other similar securities (whether directly or through trusts); and
- diversification benefits that would be difficult to achieve through direct investment. Diversification involves spreading and lowering risk by investing in a range of underlying assets.

The Trust's overall investment policy, direction and strategy are the responsibility of Legg Mason Asset Management.

The Trust's investment time frame is medium to long term (three to five year periods).

INVESTMENT PROCESS

The investment process is an active, diversified, security selection approach. This approach relies upon the analysis of individual securities rather than the application of economic or industry themes. The valuation of each property security is based on long-term cash flow based analysis. Our aim is to look through the short-term noise of each market cycle and to remain focused on the sustainability of cash flows.

The key platform of our investment process is our proprietary research. A detailed valuation model is built for each security, which is underpinned by a focus on return on capital. An understanding of the key drivers, uncertainties and risks is developed and constantly reviewed for each security. The explicit forecasts of future profitability generated by our research are input to our in-house Dividend Discount Model. The Model then generates a valuation signal that is compared to the current market price of each security. This comparison produces a "return to fair value" which is used to rank all securities. The portfolio makes overweight allocations to the attractive securities and underweight positions are established in the expensive names.

The portfolio is actively monitored, with the valuation signal driving each trade decision.

OTHER CONSIDERATIONS

The Trust does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Decisions to invest in, retain or realise investments are based on the stated Investment Process.

INVESTMENT GUIDELINES

The Trust aims to hold investments so that at time of purchasing securities:

- exposure to individual securities is within $\pm 6\%$ of Benchmark weight; and
- there is a diversified exposure to underlying property security sub sectors (as determined by Legg Mason Asset Management, such as diversified property, retail property, commercial property, etc).

The maximum cash holding of the Trust is 10% of market value. The intention is for the Trust to be fully invested at all times with cash being held for liquidity purposes only.

The Trust does not intend to borrow. However, derivatives may be used to implement investment decisions. Please refer to the Derivatives section of this PDS for more information.

Legg Mason Asset Management may change the Trust's Investment Process and Investment Guidelines from time to time. Unitholders will be provided with written notice of any material change(s).

INVESTMENT PERFORMANCE

Chart One - Performance to 31 December 2006

	1 YEAR	3 YEARS P.A.	5 YEARS P.A.
<i>Legg Mason Property Securities Trust</i> ⁽¹⁾	33.78%	26.68%	20.11%
<i>Benchmark</i> ⁽²⁾	34.03%	25.79%	19.34%
<i>Legg Mason Property Securities Trust</i> ⁽³⁾	32.98%	25.90%	19.37%

¹ Gross of Management Fee and taxes, net of other fees and expenses. Performance is calculated by accumulating changes in unit prices, assuming the reinvestment of all distributions.

² Gross of all fees and taxes. The Benchmark returns are calculated in respect of the Benchmark as described in the Investment Objective and Benchmark section in the Key Features of the Trust section of this PDS.

³ Net of all fees and expenses but excluding taxes. Performance is based on the standard Management Fee rate at the applicable time. Performance is calculated by accumulating changes in unit prices, assuming the reinvestment of all distributions.

Past Trust performance is not indicative of future performance. There is no guarantee that an investment in the Trust will increase in value over time or that any previous investment performance will be repeated.

Investment performance calculations have been prepared on a consistent basis. Legg Mason Asset Management claims compliance with the Global Investment Performance Standards (GIPS ©*).

* The Global Investment Performance Standards were developed by the CFA Institute.

The Trust's NAV is subject to fluctuations as market values alter. No party named in this PDS nor any of their related companies guarantee or make any representation as to the performance or success of the rate of income or capital return from or recovery of money invested in the Trust.

If you are an investor through an IDPS or master trust you should be aware that the investment performance figures in Chart One do not take into account any fees and charges of the IDPS or master trust.

The Trust's size as at 31 December was \$795.5 million.

Information concerning the performance and size of the Trust is subject to change from time to time. To receive more recent information on the Trust than is provided in this PDS, please refer to Legg Mason Asset Management's website at www.leggmason.com.au. A paper copy of any updated information will be provided to you without charge on request to Legg Mason Asset Management on 1800 679 541. If the change is considered to be materially adverse a new or supplementary PDS will be issued.

RISK FEATURES

Legg Mason Asset Management does not guarantee any profit or recovery of capital from an investment in the Trust. The NAV of the Trust will fluctuate in response to the changing values of the Trust's assets. It is important that you understand and accept the risks before you invest. A financial adviser can explain to you the risks and provide investment advice to suit your investment objectives. There is the risk that an investor's investment objective may not be met by their choice of investment.

All investments involve risks that may arise out of economic, political or other factors. Different asset

classes have different inherent risk characteristics. Over the longer term:

- **cash investments** are expected to produce lower returns and lower volatility of returns relative to bond and share / property security investments;
- **bond investments** are expected to produce lower returns and lower volatility of returns relative to share / property security investments; and
- **share / property security investments** are expected to produce higher returns and higher volatility of returns relative to cash and bond investments.

These are indicative classifications only. For example, some individual bonds (like high yield corporate bonds) might have higher risk return profiles than some relatively low risk shares.

For diversified portfolios, risk is determined by the risk of each of the underlying asset classes that make up the portfolio and the correlations between the asset classes. Diversified portfolios typically have lower than the average volatility of the individual asset classes that make up the diversified portfolios.

The following are some of the specific risk factors identified as being relevant to an investment in the Trust:

- the inherent risk of adverse market movements ("market risk") which includes:
 - the risks of investing in property securities, such as the quality of management, the valuation of underlying properties, tenancy levels, rental rates, borrowing levels, net income derived from underlying properties and other sector variables;
- the risk that inflation erodes the real value of the Trust's assets;
- the risk that a counterparty either cannot or will not meet its obligations ("counterparty risk");
- the risk that a market may not allow investors to buy and sell assets easily ("liquidity risk");
- the risk that deficiencies in the effectiveness or accuracy of systems or internal controls will result in a material loss. Such material loss might be caused by human error, system failures, inadequate procedures or lack of management controls ("operations risk");

- the risk that Legg Mason Asset Management will not achieve the Trust's Investment Objective or may underperform the Benchmark due to the cost of managing the Trust's investments or by the selection of and management of investments;
- the risks associated with implementing investment decisions using derivatives (including market risk, liquidity risk, counterparty risk and operations risk);
- the risk that the Trust could terminate or Legg Mason Asset Management could be replaced as Responsible Entity;
- the risk that the Trust's fees and/or costs could change; and
- the risk that investing in the Trust may give different results than investing directly because of the level of income or capital gains accrued in the Trust (including unrealised gains) and the effect of other investors investing in and withdrawing from the Trust.

Techniques used to manage some of the identified risks include:

- ensuring a broad diversification of the Trust's assets;
- active management of the Trust's assets;
- utilising extensive research to assess the Trust's assets;
- assessing the creditworthiness of counterparties;
- backing derivatives with cash, cash equivalents or securities;
- monitoring factors in Australian and international economies which may impact the Trust; and
- maintaining disciplined operational procedures and management controls.

FEES AND OTHER COSTS

Consumer Advisory Warning

The following Consumer Advisory Warning is required by government regulations to be displayed at the beginning of the Fees and Other Costs section of this PDS in the form in which it appears. Detailed information about the fees and other costs related to the Trust described in this PDS are provided in the section following the Consumer Advisory Warning.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website www.fido.asic.gov.au has a managed investment fee calculator to help you check out different fee options.

FEES AND OTHER COSTS TABLE

This table shows fees and other costs that you may be charged for Class A units. These fees and other costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole.

Taxation information is set out in the Tax section of this PDS.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

Investors investing through an IDPS should note that the fees outlined in the following table do not include any other fees imposed by their IDPS operator under its IDPS disclosure document. Where fees have been quoted to three decimal places they have been rounded to three decimal places.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE TRUST ⁽¹⁾		
Establishment fee <i>The fee to open your investment</i>	Nil	Not applicable
Contribution fee <i>The fee on each amount contributed to your investment</i>	Nil ⁽²⁾	Not applicable
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Nil ⁽²⁾	Not applicable
Termination fee <i>The fee to close your investment</i>	Nil	Not applicable
MANAGEMENT COSTS ⁽³⁾ <i>The fees and costs for managing your investment</i>		
Investment Costs	0.657% p.a. Based on a constant investment of \$500,000, the annual Investment Costs would be \$3,285.	Investment Costs Investment Costs are typically accrued daily, reflected in unit prices and deducted from the Trust after the end of each quarter.
Other Trust Costs (Estimated)	0.054% p.a. Based on a constant investment of \$500,000, the Other Trust Costs would be \$270.	Other Trust Costs Other Trust Costs include fees, costs and expenses of the Trust, including those of the Custodian and Administrator. They are generally calculated and accrued throughout the financial year and reflected in unit prices where the costs can be reliably estimated. Such costs are deducted from the assets of the Trust in arrears as they are incurred or reimbursed. Otherwise, they are reflected in unit prices upon being invoiced to the Responsible Entity and are deducted from the assets of the Trust at the time of payment. Other Trust Costs reduce the NAV of the Trust.
SERVICE FEES		
Investment switching fee <i>The fee for changing investment options</i>	Nil	Not applicable

¹ Please see "Buy / Sell Spread" and "Duty" under the heading "Additional Explanation of Fees and Costs".

² Please see "Contribution and Withdrawal Fees" under the heading "Additional Explanation of Fees and Costs".

³ The amount of this fee may be negotiated. Please see "Negotiated Fees" under the heading "Additional Explanation of Fees and Costs".

ADDITIONAL EXPLANATION OF FEES AND COSTS

Please refer to tax information in relation to the Trust in the Tax section of this PDS.

Contribution and Withdrawal Fees

Legg Mason Asset Management may charge a Contribution Fee of up to 2.05% and a Withdrawal Fee of up to 2.05%. However, it will not do so for the life of this PDS. At the date of this PDS, Legg Mason Asset Management does not intend to introduce either a Contribution Fee or a Withdrawal Fee. Unitholders will be provided with 30 days prior written notice before Legg Mason Asset Management imposes a Contribution Fee and/or a Withdrawal Fee.

Investment Costs

The Investment Costs identified in the Fees and Other Costs Table comprise a Management Fee of 0.636% p.a. and a Responsible Entity Fee of 0.021% p.a.

- **Management Fee:** please refer to the following "Classes of Units" section for information on how the Management Fee is calculated and charged. The Management Fee in the Other Fees and Costs Table is the maximum Management Fee permitted under the Trust's Constitution.
- **Responsible Entity Fee:** The Responsible Entity Fee is paid to the Responsible Entity and is charged on the Trust's NAV (less the value of holdings in other Legg Mason Asset Management trusts). It is accrued daily, reflected in unit prices and deducted from the Trust after the end of each quarter. Under the Trust's Constitution, Legg Mason Asset Management may charge a Responsible Entity Fee of up to 0.082% p.a.

Unitholders will be provided with written notice of any increase in the Investment Costs.

Negotiated Fees

At its sole discretion and subject to any legal requirements, Legg Mason Asset Management may negotiate differential fee arrangements with certain investors at its own expense and discretion. Please contact the Client Services Manager on 1800 679 541 to determine eligibility for a negotiated fee. There is no particular manner in which fees may be negotiated although any negotiated fee will be documented in the form of a written agreement.

Other Trust Costs (Estimated)

The Other Trust Costs in the Fees and Other Costs Table is based on the Other Trust Costs for the financial year to 30 June 2006. Legg Mason Asset Management believes this information can be used as a reasonable guide to the Other Trust Costs going forward. Legg Mason Asset Management is entitled under the Constitution to recover all expenses which are incurred in the proper performance and exercise of its powers and duties out of the assets of the Trust and consequently the expenses which are actually recovered may be higher than the estimated Other Trust Costs.

Other Trust Costs include fees, costs and expenses of the Trust, including those of the Custodian and Administrator. They may include (without limitation) financial institution fees, costs of convening and holding unitholders' meetings, costs associated with amending the Constitution, costs of engaging auditors and other advisers, costs connected with promoting the Trust, costs connected with the Compliance Committee (including any fees paid to, insurance premiums in respect of, or fees or expenses incurred at the request of, Compliance Committee members), the costs of New South Wales duty, costs connected with the compliance plan including auditing the plan, and the Trust's administrative costs generally. Once calculated and published, if there is a material increase in Other Trust Costs, we will provide unitholders with written notice, however advance notice will not be provided. Costs which are not included in the estimation of Other Trust Costs set out in the table are recovered out of the assets of the Trust from time to time as they are incurred and are reflected in the unit price.

Transactional and Operational Costs

In addition to the estimated Other Trust Costs, the Trust may incur Transactional and Operational Costs such as brokerage, settlement and clearing costs on transactions when trading securities.

When Transactional and Operational Costs are incurred as a result of unitholders coming into and going out of the Trust, these costs may be accounted for in the Buy / Sell Spread. Other Transactional and Operational Costs (for example, as the result of implementing an investment decision) are additional costs to unitholders that are deducted from the assets of the Trust from time to time as they are incurred and reflected in the unit price. Transactional and Operational Costs are subject to change from time to time without notice.

Buy / Sell Spread

Entry Prices reflect a spread of +0.28% relative to NAV and Exit Prices reflect a spread of -0.28% relative to the NAV. Assuming an application of \$500,000, the Buy / Sell Spread would be \$1,400.

The Buy / Sell Spread represents an allowance per unit for the estimated costs of trading securities as a consequence of investors applying for and redeeming units (based on an average weighted rate of brokerage, stamp duty [if applicable] and any other charges). The Buy / Sell Spread seeks to ensure that the interests of unitholders are not diluted by the issue or redemption of units. Legg Mason Asset Management does not benefit from the Buy / Sell Spread as it is retained by the Trust.

Unitholders will be provided with written notice of any increase in the Buy / Sell Spread.

Duty

Legg Mason Asset Management intends to appoint State Street Australia Limited to provide, amongst other things, services including the operation of the unit register of the Trust. As State Street Australia Limited is based in New South Wales, the units in the Trust will become subject to New South Wales duties legislation, including in respect of the transfer of units (see the Tax section for further details). Duty may represent an additional cost to unitholders of the Trust. Unitholders are advised to obtain their own advice regarding taxation.

Changes to the fees and expenses

All fees and expenses can change, without the consent of unitholders, subject to the maximum amount specified in the Constitution. Changes may occur because of changes in economic conditions or changes in the regulation of the Trust.

Rebates and Related Payments

Legg Mason Asset Management complies with the Guide on Rebates and Related Payments in the Wealth Management Industry and the Code of Practice on Alternative forms of Remuneration issued by the Investment and Financial Services Association/Financial Planning Association.

In offering units in the Trust, Legg Mason Asset Management may make Product Access Payments and Fund Manager Payments to IDPS and master trusts that offer the Trust on their menus and may also pay other

alternative forms of remuneration depending on the value of the investment and the level of servicing required. Any forms of alternative remuneration are at Legg Mason Asset Management's expense. Information in relation to the alternative forms of remuneration is maintained on a register maintained by Legg Mason Asset Management that is available for inspection.

Indirect Cost Ratio

The Indirect Cost Ratio is the ratio of the Trust's management costs, which are not deducted directly from a unitholder's account, to the Trust's total average net assets. The Indirect Cost Ratio is the sum of the Management costs identified in the Fees and Other Costs Table.

The Indirect Cost Ratio for Class A units of the Trust for the financial year to 30 June 2006 was 0.711%, equating to \$3,555 for a constant investment of \$500,000.

The Indirect Cost Ratio of the Trust is calculated each year at 30 June. Information in this PDS that is not materially adverse information is subject to change from time to time and may be updated by the Responsible Entity. For further information at any time, please contact Legg Mason Asset Management on 1800 679 541. This information may also be available at www.leggmason.com.au. A paper copy of any updated information will be provided to you without charge on request. If the change is considered to be materially adverse a new or supplementary PDS will be issued. These updates should be read in conjunction with the latest PDS.

Example of Annual Fees and Costs

This table gives you an example of how fees and costs for the Trust can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – Legg Mason Property Securities Trust		Balance of \$500,000 with total contributions of \$5,000 during year
Contribution fees ⁽¹⁾	Nil.	For every \$5,000 you put in, you will be charged nil.
Plus Management costs	0.711% ⁽²⁾	And for every \$500,000 you have in the Trust you will be charged \$3,555 each year.
Equals Cost of Trust		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$3,555 ⁽³⁾ . What it costs you will depend on the fees you negotiate with the Trust.

¹ The Buy / Sell Spread also applies. Please refer to “Additional Explanation of Fees and Costs – Buy / Sell Spread” for more information.

² The Management costs are based on the Indirect Cost Ratio for the financial year to 30 June 2006. The amount charged going forward will depend on the extent to which actual Other Trust Costs reflect the estimated Other Trust Costs in the Fees and Other Costs Table (and whether we change the fees).

³ This amount is calculated assuming a constant investment balance of \$500,000 throughout the year. Management costs will also be charged in relation to any additional contributions that you make during the year including any reinvestment of income. The amount you pay depends on the proportion of the year during which any such contributions are invested.

CLASSES OF UNITS

The Trust currently offers two classes of units, Class A units and Class X units. Legg Mason Asset Management may offer new classes of units with such rights and restrictions as Legg Mason Asset Management determines and may cease to offer units of any class.

Eligible investors must nominate on the “Standing Application for Units” form which class of units they are applying for. In the absence of a nomination of the class of units an applicant is applying for, new applicants will be issued with Class A units. IDPS and master trust operators typically apply for Class A units.

The rights of each unitholder differs principally as follows:

Class A units reflect the deduction of the Management Fee in the unit price.

The Management Fee component of the Investment Costs is charged on the NAV of the assets held on behalf of unitholders in Class A. Where the assets held include holdings in other trust(s) managed by Legg Mason Asset Management, those assets are not subject to the Management Fee imposed by the other trust(s). The Management Fee is accrued daily, reflected in unit prices and deducted from the Trust after the end of each quarter.

Class X units do not reflect the deduction of the Management Fee in the unit price.

The Management Fee component of the Investment Costs is charged on the NAV of the assets held on behalf of each Class X unitholder or as otherwise negotiated. Where the assets held include holdings in other trust(s) managed by Legg Mason Asset Management, those assets are not subject to the Management Fee imposed by the other trust(s).

The other components of the Investment Costs identified in the Fees and Other Costs Table are typically accrued daily and reflected in unit prices.

The typical arrangement for Class X units is to have the Management Fee calculated quarterly and charged by Legg Mason Asset Management directly to the unitholder as at 31 December and 30 June each year by having the Management Fee deducted from the twice-yearly Trust distribution the unitholder receives. If the Management Fee is greater than the unitholder's distribution, Legg Mason Asset Management will invoice the unitholder for the difference. If a unitholder redeems some or all of its units in the Trust when a Management Fee is outstanding (whether the fee has become payable or not), the Management Fee may be deducted from the unitholder's redemption proceeds. Again, if the amount of the Management Fee outstanding is greater than the amount of the redemption proceeds, Legg Mason Asset Management will invoice the unitholder for the difference.

Invoiced amounts will be payable within 30 days of the date of issuing the invoice. Legg Mason Asset Management reserves the right to compulsorily redeem units to meet any outstanding fees.

Class X unitholders should seek their own advice to ascertain their eligibility for RITC on GST paid on the Management Fee.

UNIT PRICE CALCULATION

The NAV of the Trust will generally be determined each Business Day. The NAV of the Trust is determined by reference to the market value of the assets held by the Trust less the liabilities of the Trust (which includes an accrual for the expected expenses). This seeks to spread the expenses of the Trust on a reasonable basis throughout the year.

In normal circumstances, an Entry Price and Exit Price will be determined for each Business Day based on the underlying NAV of the Trust and the number of units on issue. The Entry Price and Exit Price are calculated by dividing the Trust's NAV by the number of units on issue and then adding or subtracting (as the case may be) transactions costs (if any). The Entry Price and the Exit Price are expressed to five decimal places or such other number of decimal places as determined by the Responsible Entity. Entry Prices and Exit Prices may be rounded either up or down, as the Responsible Entity determines. Legg Mason Asset Management may declare the Entry Price and / or Exit Price more or less frequently if it considers it necessary and may delay calculation of an Entry Price or Exit Price where it would materially disadvantage unitholders to make such a calculation. The Entry Price for units to be issued in respect of reinvested distributions for a distribution period will be calculated by reference to the Trust's NAV when the Distribution Calculation Date was last calculated (including any income accrued between the Distribution Calculation Date and the reinvestment date and adjusted to exclude the income of the Trust for that distribution period) and the number of units on issue.

Legg Mason Asset Management is presently developing a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretions in calculating unit prices (including determining the value of assets and liabilities). Investors will be informed and information included on the Legg Mason Asset Management website when this policy is finalised. Once Legg Mason Asset Management's policy is finalised a copy will be made available to investors free of charge on request.

DISTRIBUTIONS

The Trust intends to distribute net income to unitholders twice yearly. There is no guarantee that distributions will always be available.

Net income available for distribution may be affected by:

- realised losses on the sale of investments; and
- expenses charged to the Trust.

Net income (if any) may be distributed after the Distribution Calculation Date at 31 December and will be distributed after the Distribution Calculation Date at 30 June each year. Distributions, when made, will be paid within 60 days after the Distribution Calculation Date or if the audit for the financial period is not completed, as soon as possible after completion of the audit.

Unitholders can choose to reinvest their distributions instead of receiving them as cash by indicating this on the "Standing Application for Units" form. Units in respect of reinvested distributions will be taken to be issued on the next day after the Distribution Calculation Date.

DERIVATIVES

Derivatives may be used to implement investment decisions. Derivatives are financial products whose return is linked or derived from changes in the value of an underlying security. Derivatives are generally more timely and cost effective to buy and sell than underlying assets. Legg Mason Asset Management's use of derivatives is limited to those where the associated risks can be understood, measured and adequately controlled.

All derivative positions are fully backed by cash, cash equivalents or securities. Legg Mason Asset Management will only use derivatives for the purposes described. Derivatives are not used for speculation, where speculation is defined as derivatives activity that would result in the net exposure being outside the Investment Guidelines. The Trust's use of derivatives is governed by Risk Management Statements that may be viewed on Legg Mason Asset Management's website at www.leggmason.com.au and are available from Legg Mason Asset Management on request.

INVESTING VIA INVESTOR DIRECTED PORTFOLIO SERVICE

Investors and potential investors accessing the Trust indirectly through an IDPS or master trust do not acquire the rights of a unitholder under the Trust. Rather, the operator of that service acquires the rights of a unitholder on behalf of the indirect investors. Therefore, the indirect investors do not receive distributions or reports directly from Legg Mason Asset Management and do not have a right to attend meetings of unitholders. Indirect investors should not complete the "Standing Application for Units" form and should seek their own financial and tax advice. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. Indirect investors should refer to the disclosure document for the IDPS or master trust for information on applications and redemptions for the IDPS or master trust, including minimum application and holding amounts and the period for satisfying redemption requests.

COOLING OFF PERIOD

A cooling off period is not applicable for this Trust as eligible investors are limited to wholesale clients (as provided by the Corporations Act). If you are investing indirectly through an IDPS or master trust, you should refer to the relevant disclosure document for any cooling off rights that you may have.

REPORTING TO UNITHOLDERS

Legg Mason Asset Management will confirm transactions to unitholders who are retail clients and who invest directly in the Trust as required under the Corporations Act. Though confirmations are not required to be provided to investors who are wholesale clients, it is the intention of Legg Mason Asset Management to do so. Unit certificates are not issued.

After the end of every quarter, unitholders will receive a report that includes a summary of the Trust's investment performance, a market commentary, the units issued and / or redeemed by the unitholder over the quarter and the balance of units held by the unitholder at the end of the quarter. After the end of each financial year, unitholders will be sent the audited accounts of the Trust and other information as required under the Corporations Act.

Investors accessing the Trust through an IDPS or master trust do not receive these reports or confirmations from Legg Mason Asset Management and should refer to the relevant disclosure document for the reports which you may receive. Copies of monthly and quarterly Trust specific investment reports may be viewed on Legg Mason Asset Management's website at www.leggmason.com.au.

DISCLOSING ENTITY

If the Trust becomes a 'disclosing entity', it will be subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office and you will have the right to obtain, free of charge, the following documents:

- the annual financial report most recently lodged with ASIC;
- any half yearly report for the Trust lodged with ASIC after the lodgement of the annual report and before the date of this PDS; and
- any continuous disclosure notices given by the Trust after lodgement of the annual report and before the date of the PDS.

Other Rights & Obligations

THE RESPONSIBLE ENTITY

The Trust's Constitution, the Corporations Act and general legal principles govern Legg Mason Asset Management's responsibilities as the Responsible Entity of the Trust. Its main duties as Responsible Entity are:

- to act honestly;
- to exercise the degree of care and diligence that a reasonable person would exercise if they were in Legg Mason Asset Management's position;
- to act in the best interests of unitholders and if there is a conflict between the unitholders' interests and its own interests, to give priority to the unitholders' interests; and
- to treat unitholders of the same class equally and unitholders of different classes fairly.

Legg Mason Asset Management is also responsible for preparing the Trust's accounts and sending unitholders reports and information required by the Corporations Act and the Constitution. There is no separate trustee.

CONSTITUTION AND UNIT TRUST RELATIONSHIP

The Trust's Constitution, the Corporations Act, the law relating to trusts and this PDS govern the Trust's operation and relationship with unitholders. Direct investors are required to complete the "Standing Application for Units" form, under which they agree to be bound by the terms of the Constitution. The terms and conditions of the Constitution are binding on Legg Mason Asset Management and on unitholders. Investors should read the Constitution carefully. A copy of the Constitution is available by calling Legg Mason Asset Management on 1800 679 541.

Subject to the Trust's Constitution and any relevant law, each unit confers an equal beneficial interest in the Trust. However, unitholders do not have any entitlement to any particular part of the Trust or the assets of the Trust. A unit confers an interest in the assets of the Trust as a whole, subject to the liabilities of the Trust, however, unitholders do not have any entitlement to any particular asset of the Trust.

Investors accessing the Trust through an IDPS or master trust do not directly acquire the rights of a unitholder and are referred to the relevant IDPS or master trust for their rights in this regard.

AMENDMENT OF CONSTITUTION

Legg Mason Asset Management may amend the Constitution in circumstances permitted by the Corporations Act. The Corporations Act requires that unitholders approve an amendment of the Constitution at a meeting of unitholders if the proposed amendment will adversely affect their rights.

MEETINGS OF UNITHOLDERS

Unitholders are entitled to attend meetings that may be convened at any time by Legg Mason Asset Management in accordance with the provisions contained in the Corporations Act. A meeting must be arranged by Legg Mason Asset Management if requested by at least 100 unitholders who are entitled to vote on the relevant resolution or unitholders with 5% or more of the votes that may be cast on the relevant resolution of the Trust. If a meeting is to be held a notice of meeting will be sent to all unitholders. All resolutions passed at meetings are binding on Legg Mason Asset Management and the unitholders.

TERMINATION OF THE TRUST

The Trust will terminate in accordance with the provisions of the Constitution. This includes termination by Legg Mason Asset Management with prior notice. On termination, the proceeds of the net assets (if any) of the Trust, after the Responsible Entity deducts all fees and expenses it is entitled to, will be distributed to unitholders according to the number of units they hold.

RETIREMENT OF LEGG MASON ASSET MANAGEMENT

Legg Mason Asset Management may retire as the Responsible Entity of the Trust as permitted by law and must retire as Responsible Entity of the Trust when required by law. Generally, until such time as a replacement responsible entity is appointed to act as the responsible entity of the Trust, Legg Mason Asset Management must not retire. Once Legg Mason Asset Management has retired, it is released from all obligations in relation to the Trust.

INVESTMENTS

Legg Mason Asset Management has broad powers under the Constitution to invest in any manner it thinks fit. However, it only exercise these powers in accordance with its duties as Responsible Entity to meet the Trust's Investment Objective as stated in this PDS. Legg Mason Asset Management has the power to change the Investment Objective. Unitholders will be provided with written notice of any material change(s). Legg Mason Asset Management is permitted to borrow. However, it does not intend to do so.

APPLICATION FOR AND REDEMPTION OF UNITS

In normal circumstances, an Entry Price and Exit Price will be determined for each Business Day based on the underlying NAV of the Trust and the number of units on issue. The Entry Price is calculated by dividing the Trust's NAV by the number of units on issue and then adding transactions costs (if any). For the basis of calculating Entry Prices in the case of reinvested distributions, please refer to page 11.

Application requests received before 11.00 am on any Business Day will generally receive the Entry Price for that Business Day. Application requests received after 11.00 am on any Business Day will generally receive the Entry Price for the next Business Day. Redemption requests received before 11.00 am on any Business Day will generally receive the Exit Price for that Business Day. Redemption requests received after 11.00 am on any Business Day will generally receive the Exit Price for the next Business Day. Where application monies are not received within one month of the application request, the units may be voided and treated as never having been issued. The Applicant indemnifies Legg Mason Asset Management and the Trust all reasonable costs, expenses and/or losses incurred in such circumstances including overdraft costs and all other costs, expenses and/or losses incurred in connection with acquiring and subsequently realising assets. Please refer to the "How to Transact" section of this PDS for more information.

Legg Mason Asset Management reserves the right not to accept an application for units.

Legg Mason Asset Management may postpone calculating Entry and Exit Prices if it is desirable for the protection of the Trust or in the interests of unitholders to do so. While Entry and Exit Prices reflect the value of accrued income, net income is only distributed in respect of units held at the end of a distribution period.

It is distributed in proportion to the number of units held at the end of the distribution period. Unitholders who redeem units during a distribution period will not receive a distribution of income in respect of those units for that distribution period.

Legg Mason Asset Management may compulsorily redeem units of a unitholder where the unitholder has less than the minimum holding amount or if a redemption would result in less than the minimum holding amount. Legg Mason Asset Management may refuse a redemption of units that would result in less than the minimum holding amount unless it relates to the balance of the unitholder's holding. Legg Mason Asset Management reserves the right to alter the minimum holding amount. Legg Mason Asset Management may compulsorily redeem units of a unitholder on the date on which the unitholder ceases to be an Eligible Investor. Please see the "Standing Application for Units" form for further details.

PAYMENT OF REDEMPTIONS

Proceeds from the redemption of units are normally payable within five Business Days. The Constitution allows Legg Mason Asset Management up to 30 Business Days to pay redemption proceeds in normal circumstances. This period can be extended in certain circumstances - for an example, please refer to the following "Liquidity" section). Redemptions are met out of the Trust's assets and Legg Mason Asset Management is not obliged to pay any part of the Exit Price out of its own funds. Where redemption requests are not for a specific number of units, units rounded to three decimal places or such other number of decimal places as Legg Mason Asset Management determines will be redeemed. Legg Mason Asset Management has the right to deduct from the proceeds of redemption or money paid pursuant to a withdrawal offer any money due to it by a unitholder. Proceeds from a redemption will be paid in accordance with the unitholders' instructions as agreed with Legg Mason Asset Management.

If a unitholder requests a redemption of more than 5% of the units on issue in the Trust on a Business Day, Legg Mason Asset Management may treat the request as five separate requests, each for 1/5 of the original request, received on five successive Business Days commencing on the Business Day the original request was received. If unitholders request the redemption of more than 10% of the number of units on issue in the Trust over five consecutive Business Days, Legg Mason

Asset Management may pay the redemption proceeds on the excess over the 10% within 45 Business Days of the original request.

TRANSFERS

Legg Mason Asset Management has the right to decline requests to register a transfer of units. Unitholders may be liable for duty on the value of the transfer of any units. Please refer to the Tax section of this PDS.

LIQUIDITY

The Corporations Act regulates withdrawals from managed investment schemes (such as the Trust) and sets out requirements that will apply to withdrawals from the Trust if it is not "liquid". A scheme is not "liquid" if liquid assets do not account for at least 80% of the value of scheme property. Liquid assets are assets such as cash, bank accepted bills and marketable securities unless Legg Mason Asset Management cannot reasonably expect to realise these assets within the period specified in the Constitution to satisfy redemption requests. Legg Mason Asset Management does not anticipate that the Trust will be illiquid for these purposes. However, if the Trust is not "liquid", Legg Mason Asset Management may offer unitholders the opportunity to withdraw from the Trust, effectively on a periodic basis. Offer periods must be at least 21 days and cannot overlap. A withdrawal offer must specify the assets available to meet any resulting withdrawal requests. Withdrawal requests must be satisfied within 21 days of the offer period closing. If the value of withdrawal requests exceeds the amount available to meet requests, the requests are to be satisfied proportionately.

RESPONSIBLE ENTITY'S INDEMNITY AND UNITHOLDERS' LIABILITY

The Constitution limits the circumstances in which, and to the extent to which, the Responsible Entity must compensate unitholders if things go wrong. Generally, if Legg Mason Asset Management complies with its duties it will not be required to compensate unitholders unless the law requires it (for example, if Legg Mason Asset Management has acted improperly. This means, for example, that Legg Mason Asset Management is not liable for acting in good faith on professional advice.

Legg Mason Asset Management and the Legg Mason Asset Management Compliance Committee are entitled to be indemnified out of the Trust for liabilities incurred in the proper performance of its duties as the Responsible Entity including in respect of any tax liabilities. In respect of the Responsible Entity, to the extent permitted by law, this indemnity includes liabilities, costs and expenses incurred as a result of any agent or delegate appointed by the Responsible Entity.

UNITHOLDERS' LIABILITY

The Constitution contains provisions designed to limit the liability of unitholders so that they are not, by reason only of being unitholders, under any personal obligation to indemnify Legg Mason Asset Management as the responsible entity, or any creditor of the Responsible Entity, in the event of there being any deficiency of assets of the Trust. Generally, in the absence of a separate agreement with the unitholder, the liability of a unitholder is limited to the amount which remains unpaid in respect of their units. The law, however, in relation to liability of unitholders is complex and to date such limitations on unitholder liability have not been tested by the courts. Therefore, it is not possible for Legg Mason Asset Management to give an absolute assurance that liability as an investor will be limited in all circumstances.

The Constitution also provides that each unitholder indemnifies Legg Mason Asset Management for certain liabilities and charges relating to that unitholder. In addition, under the terms of this offer Legg Mason Asset Management is entitled to be indemnified by a unitholder for any loss suffered as a result of relying on incorrect information. Legg Mason Asset Management is permitted to redeem some or all of the units held by a unitholder to satisfy any amount of money owed to it by the unitholder and to deduct from any amount paid to the unitholder certain amounts in respect of tax and, in certain circumstances, amounts owed by the unitholder to it or any other person. Current and former joint unitholders are joint and severally liable for all payments in respect of the Trust.

ELIGIBLE INVESTOR INFORMATION

The Responsible Entity may require a unitholder to furnish information, including evidence that the unitholder is an Eligible Investor (refer "Standing Application for Units" form). The "Standing Application for Units" form can be obtained by contacting Legg Mason

Asset Management on 1800 679 541; it is also available at www.leggmason.com.au.

Where a unitholder cannot, or does not, satisfactorily provide the information, the Responsible Entity may, in relation to the unitholder, redeem units, vary a redemption price or determine that a debt is owed by the unitholder. Unitholders who cease to be Eligible Investors are subject to having their units compulsorily redeemed by the Responsible Entity.

COMPLIANCE COMMITTEE

Legg Mason Asset Management has established a Compliance Committee, as required by the Corporations Act. One of the functions of the Compliance Committee is to monitor the extent to which Legg Mason Asset Management complies with the Trust's Compliance Plan. The Compliance Committee must report breaches of the Corporations Act and certain breaches of the Constitution to Legg Mason Asset Management and in some circumstances to the Australian Securities & Investments Commission. The Compliance Committee must meet at least half yearly, and usually meets quarterly.

COMPLIANCE PLAN

As required by the Corporations Act, Legg Mason Asset Management has prepared and lodged with the Australian Securities & Investments Commission a Compliance Plan for the Trust. The Compliance Plan describes the measures Legg Mason Asset Management is to apply in operating the Trust, and is designed to ensure compliance with the Corporations Act and the Constitution. The Compliance Plan must be audited annually.

CUSTODIAN AND ADMINISTRATOR

State Street Australia Limited has been appointed as the custodian of the Trust. State Street Australia Limited also provides administration services for the Trust pursuant to an Administrative Services Agreement. State Street Australia Limited does not oversee Legg Mason Asset Management's management of the Trust and is not responsible for protecting the rights and interests of unitholders. Legg Mason Asset Management can terminate State Street Australia Limited's appointment as custodian and/or administrator of the assets in the circumstances

specified under respective agreements governing these relationships.

RELATED PARTY DEALINGS

Legg Mason Asset Management may transact business with related parties subject to meeting any applicable requirements of the Corporations Act regarding transactions with relevant parties. Broadly, the transaction must be on arms' length terms. The related party may be acting either as agent or principal. Legg Mason Asset Management may delegate its functions to related parties (or other third parties).

Legg Mason Asset Management may invest in other trusts managed by it - however, this will not result in additional fees payable to Legg Mason Asset Management from the Trust.

ANTI-MONEY LAUNDERING

New anti-money laundering laws in Australia may require the Legg Mason Asset Management and the Custodian / Administrator to obtain, in future, additional information to verify the identity of an investor and any underlying beneficial owner of units in the Trust and the source of any payment. Where we request such information from you, processing of applications or redemptions may be delayed or suspended until the requested information in a form satisfactory to Legg Mason Asset Management and/or the Custodian / Administrator is provided.

Complaints

If you wish to make a complaint you can contact Legg Mason Asset Management on 1800 679 541. If your complaint is not satisfactorily resolved, please forward your complaint in writing. Legg Mason Asset Management will acknowledge the complaint within 14 Business Days, investigate the complaint and decide on appropriate action, where required. Legg Mason Asset Management will respond to the complainant no more than 45 days after receiving the complaint, advising you of the outcome of the investigation and any avenues of appeal to an independent complaint resolution service.

Legg Mason Asset Management is a member of the Financial Industry Complaints Service ("FICS"), an independent body set up specifically to resolve complaints from investors. If you are not satisfied by our response to your complaint, you may contact the Financial Industry Complaints Service.

FICS can be contacted on 1300 780 808, by facsimile on (03) 9621 2291, by email on fics@fics.asn.au or by post at:

**PO Box 579
Collins Street West
Melbourne Vic 8007**

If you are investing via an IDPS or master trust you should consult the disclosure document for the IDPS or master trust for information on complaint resolution

HOW TO CONTACT LEGG MASON ASSET MANAGEMENT

MELBOURNE

120 Collins Street
Melbourne Vic 3000
GPO Box 507
Melbourne Vic 3001

Client Services
Freecall: 1800 679 541
Facsimile: (03) 8643 9587
www.leggmason.com.au

Tax

The taxation implications of investing and dealing with investments are complex and are invariably particular to each unitholder's circumstances. Given the complexity of taxation law, Legg Mason Asset Management strongly recommends you seek professional tax advice and nothing contained in this PDS should be construed as the giving of or be relied upon as tax advice.

The Trust will issue a distribution statement following any distribution at 31 December. It will also issue a distribution statement and a tax statement following the Trust's financial year-end at 30 June. These statements will detail the distribution paid (cash or reinvested) and any relevant tax information relating to the distribution to assist unitholders in preparing their tax return.

Generally, all taxable income of the Trust is distributed to unitholders. The unitholders share of the taxable income should be included in their assessable income in the year they become entitled to the distribution.

Unitholders may be able to benefit from imputation credits on franked dividends, foreign tax credits on foreign income and tax deferred receipts.

The Trust's distribution may include net capital gains.

When a unitholder redeems units from the Trust they may need to consider the capital gains tax implications.

If a unitholder is not an Australian resident taxpayer or does not provide their Tax File Number, withholding tax may be deducted from the Australian sourced component of the unitholder's taxable income.

Unitholders are not subject to GST on applications or redemptions from the Trust. The Trust will incur GST in respect of various supplies that it acquires, however a reduced input tax credit is expected to be available to the Trust on certain supplies.

Legg Mason Asset Management intends to appoint State Street Australia Limited to provide unit registry services. The unit register will be maintained in New South Wales and will therefore be subject to the provisions of New South Wales duties legislation. In particular, investors should be aware that transfers of units between unitholders within this Trust may be subject to the payment of duty at New South Wales rates of duty as they apply from time to time. This may represent an additional cost to unitholders over and above the value of any transfer.

Privacy

Legg Mason Asset Management and the Administrator will only collect personal information necessary for the products or services you apply for. The information collected from you on the "Standing Application for Units" form (and information acquired from you or other people during the course of managing the Trust) is required for:

- processing applications and redemptions, and servicing customer accounts;
- responding to customer inquiries;
- understanding each customer's needs and offering products to meet those needs;
- allowing third party service providers to assist Legg Mason Asset Management in business operations and service provision; and
- meeting legal and regulatory requirements.

If you so indicate on Section 4 of the "Standing Application for Units" form or otherwise agree we may also:

- collect and use your personal information to send you information about other investment products or services provided by Legg Mason Asset Management and other Legg Mason, Inc. entities; and
- disclose your personal information to other Legg Mason, Inc. entities or third party service providers so they may send you information about other investment products or services provided by Legg Mason Asset Management and other Legg Mason, Inc. entities.

If at any time you are receiving information about products and you do not wish to receive further correspondence, please advise Legg Mason Asset Management.

Legg Mason Asset Management and the Administrator may disclose your personal information to certain organisations situated in Australia and offshore and may store information about you in databases that may be maintained inside or outside Australia by other companies in the Legg Mason, Inc. group, the Administrator group or by third party storage providers. On request, Legg Mason Asset Management will provide you with a copy of any personal information held about you. Legg Mason Asset Management will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide personal information requested, Legg Mason Asset Management may not be able to provide a particular service or may

be required by law to take particular actions such as deducting taxation at the top marginal rate.

By signing the "Standing Application for Units" form, you consent to Legg Mason Asset Management and the Administrator using your information in the manner described above.

Further information on Legg Mason Asset Management's privacy practices is contained in a privacy policy. The privacy policy is available on Legg Mason Asset Management's website at www.leggmason.com.au.

If you have any queries please contact Legg Mason Asset Management.

Glossary

Dividend

A payment declared by a company and paid to shareholders.

Dividend Discount Model

A proprietary model used to determine the fair value of a security based on an assessment of its discounted future cashflows.

Ex Ante Tracking Error

The degree of proximity with which an actual portfolio is expected to follow a representative market index. Technically, it is represented by the expected standard deviation of the differences in return between the Trust and the Benchmark. It measures the likely magnitude of the dispersion of Trust returns relative to Benchmark returns.

Property Security

Listed property trust or property related listed equity.

Return to Fair Value

The difference between the current market price of a security and its assessed fair value.

Volatility

The extent of fluctuation. The greater the fluctuation, the less certain an investor is of return, and hence volatility is one measure of risk.

How to Transact

STEP 1

Read this PDS.

STEP 2

Standing Application for Units

Complete the "Standing Application for Units" form and send it to:

MAIL

State Street Australia Limited
Unit Registry
Level 7 State Street Centre
338 Pitt Street
Sydney NSW 2000

FACSIMILE

+612 9323 6411; or +612 9323 6420

The "Standing Application for Units" form can be obtained by contacting Legg Mason Asset Management on 1800 679 541; it is also available at www.leggmason.com.au

Forward the cheque (made payable to "State Street Bank & Trust Company - Unitholder name YM02") to the State Street Australia Limited as follows:

URGENT - DELIVERY PRIOR TO 11 AM

State Street Australia Limited
Unit Registry
Level 7 State Street Centre
338 Pitt Street
Sydney NSW 2000

If application is made by Austraclear

Funds should be transferred to Austraclear code SSBS20. The Applicant must ensure they quote their Austraclear code on the "Standing Application for Units" form.

If application is made by Electronic Funds Transfer (Real Time Gross Settlement)

To use this facility, the transferring bank must use a Real Time Gross Settlement compliant system. Applications using this facility are subject to confirmation (to Legg Mason Asset Management) of receipt of funds (from the Custodian), which is subject to a minimum twenty-four hour delay. Legg Mason Asset Management may exercise discretion to issue units prior to receiving confirmation of funds from the Custodian.

Electronic Funds Transfer details via Real Time Gross Settlement are:

Bank name:	State Street Bank & Trust Company
Acc:	State Street Bank & Trust Co Sydney Branch – Capital Markets
BIC No:	SBOS AU2X
BSB:	913 001
Account Number:	958 2131
Reference:	YM02

In the case of joint applications, all applicants must sign and full names must be shown. Applications lodged by companies must be signed in accordance with their constitution. Applications by trustees must be made in the name of, and signed by, the trustees. If an Applicant wishes to specify individuals who have authority to act on their behalf in relation to their Trust investment, they may do so by completing the "Authorised Signatories" section. The same person or persons who sign the "Standing Application for Units" form should sign this section.

Sending Instructions by Facsimile

Applicants providing any authorised instructions by facsimile are subject to the following terms and conditions:

- Legg Mason Asset Management will accept applications, redemptions and instructions to change an Applicants' details (including authorised signatories details, bank account details and reinvestment requests) by facsimile;
- Legg Mason Asset Management has absolute discretion in determining whether or not to follow instructions received by facsimile; and
- the Applicant will release and indemnify Legg Mason Asset Management from any and all responsibility for any and all costs, claims, losses or liabilities of any nature (both direct and indirect) resulting from any act or omission of action relating to use of the facsimile facility.



Legg Mason Asset Management Australia Limited, ABN 76 004 835 849, AFSL No. 240827
120 Collins Street, Melbourne Vic 3000

www.leggmason.com.au