

Legg Mason Southeast Asia Special Situations Trust

CPF Investment Scheme - List A Fund

Included under the CPF Investment Scheme (Ordinary Account)

MANAGER

Legg Mason International Equities
(Singapore) Pte. Limited

ABOUT THE FUND

To achieve medium to long-term capital appreciation by investing at least 70% of the Fund in securities issued by companies that are incorporated, domiciled or listed, or have a significant economic interest, in South and South-East Asia countries.[^]

FUND DETAILS

Currency	Singapore Dollar
Inception	2 March 1998
Launch Price	SGD 0.50
Subscription	Cash / SRS / CPF
Minimum Investment	SGD 1,000
Subsequent Investment	SGD 100
Preliminary Charge	
- Cash / SRS	5%
- CPF	3%
Realisation Charge	Nil
Management Fee	1.5% p.a.
Trading Frequency	Daily
ISIN Code	SG9999005177
Bloomberg Ticker	RCSEASS SP

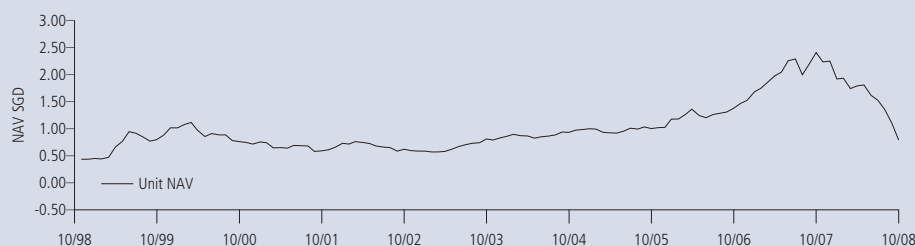
[^] With effect from 3 December 2007

FUND SNAPSHOT

	Unit NAV
NAV	SGD 0.788
High*	SGD 2.406
Low*	SGD 0.340

* Based on since inception month end prices

Fund Size SGD 187 million

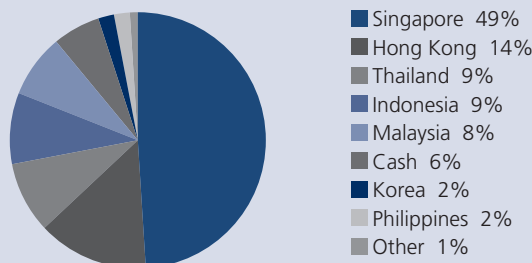


PERFORMANCE

	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Fund ⁺	-64.95%	-48.26%	-67.25%	-7.66%	-0.65%	4.85%
Benchmark	-48.74%	-37.13%	-50.54%	-2.44%	3.76%	-0.61%
Load-adjusted returns*						
	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Fund ⁺	-66.70%	-50.85%	-68.89%	-9.22%	-1.66%	4.35%

- ⁺ Annualised for periods over one year with net income and dividends reinvested, if any. With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing. Source: Lipper
- * Inclusive of preliminary charge [5%]. With effect from 1 July 2007, preliminary charges on subscriptions using CPF monies are capped at 3%.
- Benchmark: MSCI AC Far East ex Japan, ex China, ex Hong Kong, ex Taiwan, ex Korea (S\$)

ASSET ALLOCATION



TOP FIVE HOLDINGS

Holding	Country	Industry
Capitaland Ltd	Singapore	Real Estate
CWT Ltd	Singapore	Warehousing
Hong Kong Exchanges & Clearing Ltd	Hong Kong	Finance
Singapore Exchange Ltd	Singapore	Finance
Star Cruises Ltd	Hong Kong	Consumer Discretionary

FOR MORE INFORMATION

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MANAGER'S COMMENTS

- October 2008 will probably go down in the annals of stock market history as a pivotal month in this year-long crises stricken bear market. Not only did many markets globally set record breaking spikes and plunges, both in terms of percentages and absolute magnitude, equally remarkable were the scale and speed of globally coordinated actions by governments and central banks worldwide. Acting in unison, they cut interest rates, injected liquidity directly into the system, activated currency swap arrangements, offered blanket guarantees on bank debts, deposits and recapitalized troubled banks.
- The relentless systemic deleveraging was clearly reflected in the sustained and sharp falls in prices across all asset classes including commodities, gold, bonds, sovereign CDS and equities. The ensuing flight to US dollar created chaos in the currency markets with violent swings that resulted in many companies sustaining crippling currency losses on their foreign currency exposure and derivative currency hedges.
- Elsewhere in Singapore, we also added coal and palm oil related names which have been sold down to absurdly low single digit multiples. As commodity prices tend to stabilize when stock markets enter into a bottoming phase, as was the case in previous crises, these stocks are excellent proxies to a recovery in their underlying commodity prices when market nervousness abates.
- As markets continue to expect more bad news to emerge on the economic front, what have been under-appreciated are signs that the healing process has begun. The depressed share prices are reflecting prospects that do not take into account the likely positive impact of massive global interventions that have occurred. This wide perception-reality gap is creating alpha opportunities that look increasingly ripe for the taking.

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The CPF interest rate for the Ordinary Account is based on the 12-month fixed deposit and month-end savings rate of the major local banks. With effect from 1 January 2008, an additional 1% per annum will be paid on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the Ordinary Account. In addition, the interest rate for the CPF Special Account will be pegged to the yield of 10-year Singapore government bond plus 1%. Nevertheless, the CPF Board will pay a legislated minimum annual interest rate of 2.5% on the CPF Ordinary Account and for 2008 and 2009, a minimum annual interest rate of 4.0% on the CPF Special Account.

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