

Legg Mason BW Global Income Opportunities Fund Inc.  
Form N-CSR  
December 28, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-22491**

**Legg Mason BW Global Income Opportunities Fund Inc.**  
**(Exact name of registrant as specified in charter)**

**620 Eighth Avenue, 49<sup>th</sup> Floor, New York, NY 10018**  
**(Address of principal executive offices) (Zip code)**

**Robert I. Frenkel, Esq.**

**Legg Mason & Co., LLC**

**100 First Stamford Place**

**Stamford, CT 06902**

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: (888) 777-0102**

**Date of fiscal year end: October 31**

**Date of reporting period: October 31, 2016**

ITEM 1. REPORT TO STOCKHOLDERS.

The **Annual** Report to Stockholders is filed herewith.

Annual Report

October 31, 2016

LEGG MASON

BW GLOBAL INCOME

OPPORTUNITIES FUND INC.

(BWG)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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## Fund objectives

The Fund's primary investment objective is to provide current income. As a secondary investment objective, the Fund will seek capital appreciation.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in global fixed income securities.

## Letter from the chairman

### Dear Shareholder,

We are pleased to provide the annual report of Legg Mason BW Global Income Opportunities Fund Inc. for the twelve-month reporting period ended October 31, 2016. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, [www.lmcef.com](http://www.lmcef.com). Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

November 30, 2016

II Legg Mason BW Global Income Opportunities Fund Inc.

## Investment commentary

### Economic review

The pace of U.S. economic activity fluctuated during the twelve months ended October 31, 2016 (the reporting period). Looking back, the U.S. Department of Commerce reported that fourth quarter 2015 U.S. gross domestic product (GDP) growth was 0.9%. First and second quarter 2016 GDP growth was 0.8% and 1.4%, respectively. The U.S. Department of Commerce's second reading for third quarter 2016 GDP growth released after the reporting period ended was 3.2%. The improvement in GDP growth in the third quarter 2016 reflected an increase in private inventory investment, an acceleration in exports, an upturn in federal government spending and smaller decreases in state and local government spending.

While there was a pocket of weakness in May 2016, job growth in the U.S. was solid overall and a tailwind for the economy during the reporting period. When the period ended on October 31, 2016, the unemployment rate was 4.9%, as reported by the U.S. Department of Labor. The percentage of longer-term unemployed modestly declined over the period. In October 2016, 25.2% of Americans looking for a job had been out of work for more than six months, versus 25.7% when the period began.

Turning to the global economy, in its October 2016 *World Economic Outlook Update*, the International Monetary Fund (IMF) said, "The forces shaping the global outlook—both those operating over the short term and those operating over the long term—point to subdued growth for 2016 and a gradual recovery thereafter, as well as to downside risks." From a regional perspective, the IMF currently estimates 2016 growth in the Eurozone will be 1.7%, versus 2.0% in 2015. Japan's economy is expected to expand 0.5% in 2016, the same as in 2015. Elsewhere, the IMF projects that overall growth in emerging market countries will tick up to 4.2% in 2016, versus 4.0% in 2015.

After an extended period of maintaining the federal funds rate<sup>iii</sup> at a historically low range between zero and 0.25%, the Federal Reserve Board (the Fed) increased the rate at its meeting on December 16, 2015. This marked the first rate hike since 2006. In particular, the U.S. central bank raised the federal funds rate to a range between 0.25% and 0.50%. At its meeting that concluded on November 2, 2016 (after the reporting period ended), as well as during the prior meetings of the year, the Fed kept rates on hold. In the Fed's statement after the November meeting it said,

The Committee judges that the case for an increase in the federal funds rate has continued to strengthen but decided, for the time being, to wait for some further evidence of continued progress toward its objectives. The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation.

Given the economic challenges in the Eurozone, the European Central Bank (ECB) took a number of actions to stimulate growth and ward off deflation. In January 2015, before the reporting period began, the ECB announced that, beginning in March 2015, it would start a €60 billion-per-month bond buying program that was expected to run until September 2016. In December 2015, the ECB extended its monthly bond buying program until at least March 2017. Finally, in March 2016, the ECB announced that it would increase its bond purchasing

## Investment commentary (cont d)

program to \$80 billion-per-month. It also lowered its deposit rate to -0.4% and its main interest rate to 0%. Looking at other developed countries, in the aftermath of the June 2016 U.K. referendum to leave the European Union ( Brexit ), the Bank of England ( BoE ) lowered rates in October 2016 from 0.50% to 0.25% – an all-time low. After holding rates steady at 0.10% for more than five years, in January 2016, the Bank of Japan<sup>ii</sup> announced that it lowered the rate on current accounts that commercial banks hold with it to -0.10%. Elsewhere, the People's Bank of China<sup>iii</sup> kept rates steady at 4.35%.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

November 30, 2016

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. Forecasts and predictions are inherently limited and should not be relied upon as an indication of actual or future performance.

<sup>i</sup> Gross domestic product ( GDP ) is the market value of all final goods and services produced within a country in a given period of time.

<sup>ii</sup> The International Monetary Fund ( IMF ) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

<sup>iii</sup> The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

<sup>iv</sup> The Federal Reserve Board (the Fed ) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

<sup>v</sup> The European Central Bank ( ECB ) is responsible for the monetary system of the European Union and the euro currency.

<sup>vi</sup> The Bank of England ( BoE ), formally the Governor and Company of the BoE, is the central bank of the United Kingdom. The BoE's purpose is to maintain monetary and financial stability.

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<sup>vii</sup> The Bank of Japan is the central bank of Japan. The bank is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system and the yen currency.

<sup>viii</sup> The People's Bank of China ( PBoC ) is the central bank of the People's Republic of China with the power to carry out monetary policy and regulate financial institutions in mainland China.

IV Legg Mason BW Global Income Opportunities Fund Inc.

## Fund overview

### Q. What is the Fund's investment strategy?

A. The Fund seeks to provide current income as a primary objective. Capital appreciation is a secondary objective. The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in global fixed-income securities. These may include, but are not limited to, sovereign debt of developed and emerging market countries, U.S. and non-U.S. corporate debt, mortgage-backed securities ( MBS ) and currency exposure. The Fund may manage its currency exposure through the use of futures, forwards and other derivative instruments, for hedging and investment purposes. The Fund's specific investments will shift as the Fund rotates among countries, credits and currencies to find the most attractive values over time. Under normal market conditions, no more than 35% of the Fund's managed assets may be rated below investment grade (commonly known as high yield or junk bonds) by a nationally recognized statistical rating organization or determined to be of comparable quality; provided however, that the quality of a security will be based on the highest rating it receives. In addition, under normal market conditions, at least 40% of the Fund's managed assets will be invested in non-U.S. countries or currencies. The Fund may use leverage to enhance current income.

In making investment decisions on behalf of the Fund, we apply a top-down, macro-driven investment process and invest where we believe opportunities exist with respect to interest rate levels and currency valuations. We consider secular trends, political and monetary conditions and business cycle risks when making investment decisions. We also take into account the relative risk and return characteristics of prospective investments when determining how to achieve desired exposures.

Brandywine Global Investment Management, LLC ( Brandywine ), the Fund's subadviser, is responsible for the day-to-day portfolio management of the Fund. Brandywine uses an active, team-based approach to manage its fixed income portfolios. The investment professionals at Brandywine who are primarily responsible for development of investment strategy, day-to-day portfolio management and oversight and coordination of the Fund are David F. Hoffman, CFA, Stephen S. Smith, Jack P. McIntyre, CFA, Gerhardt (Gary) P. Herbert, CFA, Brian L. Kloss, JD, CFA and Regina Borromeo.

### Q. What were the overall market conditions during the Fund's reporting period?

A. Investor uncertainty played a significant role throughout the twelve-month reporting period ended October 31, 2016. Toward the end of 2015, questions surrounding China's economic viability weighed on market conditions—the aftershocks of fragile Chinese growth continued to resurface in early 2016, and negatively impacted commodity-exporting emerging markets. The perfect storm of deteriorating economic conditions materialized in China—the precipitous drop in Chinese equities, overheated real estate and credit markets, ineffective fiscal policy, and a slowdown in the Industrials sector; these domestic issues had far-reaching consequences that reverberated throughout global capital markets. We had expected the global economy to reflate in 2015 and instead, the combination of a strong U.S. dollar and weak Chinese growth created a global disinflationary environment at a time

## Fund overview (cont d)

when many developed market central banks already could not reach their respective inflation targets. Commodity prices fell sharply alongside the drop in Chinese demand for raw materials. The U.S. dollar continued its bull run as investors piled into safe-haven assets and shed risk assets such as equities and emerging market assets.

Despite a volatile January, the first two quarters of 2016 were relatively placid from a volatility perspective as the Federal Reserve Board (the Fed), the European Central Bank (ECB) and the People's Bank of China (PBoC) met before the G-20<sup>iv</sup> summit in Shanghai to coordinate a policy response to the appreciating U.S. dollar. As the dollar stabilized, risk assets globally responded positively for most of the first and second quarters of 2016. However, June 23, 2016, became a watershed moment as the U.K. populace voted to exit the European Union, an event colloquially known as Brexit. The referendum results sent British pound sterling to multi-decade lows while ultra-high quality yields plummeted longer-term German Bund and Japanese Government Bond (JGB) yields fell into negative territory. The Japanese yen, also a traditional safe-haven asset, appreciated due to the resurgence in risk aversion. These wild swings in investor sentiment ultimately drove safe-haven valuations higher. The yen made considerable gains against the U.S. dollar during the period, appreciating more than 14%.

On the other hand, risk assets sold off sharply in the days and weeks immediately following the referendum. Despite the late June 2016 selloff, the Brazilian real, Indonesian rupiah, and South African rand managed to hold onto their gains against the U.S. dollar for the period. These currencies appreciated during the first half of the year given stabilizing commodity prices and the general risk-on environment. The Brazilian real gained more than 21% versus the dollar during the reporting period no other currency within our universe appreciated to this extent. Some developed market currencies also rose against the U.S. dollar, including the Australian and New Zealand dollars, and the Norwegian krone. Central bank decisions drove currency valuations toward the end of the reporting period. The sterling slightly weakened after the Bank of England (BoE) expanded its stimulus in August 2016. The yen also weakened after the Bank of Japan<sup>vi</sup> announced new stimulus efforts that would spur inflation by capping ten-year JGB yields. The dollar temporarily rose against the majors<sup>vii</sup> heading into the Fed's September 2016 meeting, over speculation whether the central bank would raise the federal funds rate<sup>viii</sup> for the first time in 2016. Since the Fed did not tighten in September, investors will instead look to its December 2016 meeting, particularly if the monthly U.S. jobs reports remain strong. However, market volatility leading up to the U.S. presidential election and the uncertainty overhang of the vote could give the Fed pause for tightening.

### Q. How did we respond to these changing market conditions?

A. Throughout the period, we responded to the increasingly low-yield environment by looking for higher-yielding assets with attractive valuations and fundamentals. Although the initial shock of Brexit wore off and risk assets recovered, we still could not justify the irrationality of negative-yielding sovereign bonds, or the notion of overpaying for safety. We did, however, maintain a long position in the Japanese

yen during the period. The yen position was just one example of the defensive positions we initiated as a hedge against global economic uncertainty. Aside from managing beta<sup>x</sup>, we were focused on investment opportunities that offered a combination of total return and income generation. Therefore, we sought out corporate credit, dividend-paying equities, and select emerging market countries that offered a mix of attractive bonds and currency valuations. Our strategy in 2016 shifted around the theme of “something is stirring” in the global economy; our country allocations reflected this outlook. We were generally constructive on European growth prospects and therefore maintained long exposure to European currencies like the Hungarian forint and Polish zloty to capture any spillover effects from the ECB’s reflation efforts; however, we closed both of these positions by October 31, 2016. We believe the euro may come under additional pressure and therefore maintained a net short position in the currency throughout the reporting period. The Fund also maintained long exposure to the pound sterling during this timeframe. We believe the currency’s massive selloff in June 2016 created an additional investment opportunity for us. The pound sterling hit a 30-year low following the referendum, while the British economy remained largely intact, and the BoE resumed easing a couple months later. As a result, we believe the sterling is now attractively valued. We think the weakened currency will help make British exports more competitive and in turn help gross domestic product (GDP) growth. Economic indicators following the Brexit vote betrayed the notion that the U.K. economy would enter a recession. Elsewhere in Europe, the Swedish economy benefitted from the gradual uptick in global growth and a credible monetary authority. We initiated a position in the Swedish krona during the second quarter of 2016. In addition, we maintained an overarching position of U.S. Treasury futures to balance the long emerging market exposure within the Fund, as the aforementioned deflationary pressures affected risk assets.

Looking to the emerging world, the Brazilian real and the country’s government bonds rallied after hitting all-time lows in 2015. Brazilian assets exemplify our idea that emerging market currencies could strengthen against the U.S. dollar, and that countries with improving fundamentals would attract fixed income investors. Brazil managed to move beyond a budget impasse and political scandal; these problems were only compounded by commodity price volatility last year. We also used weakness in the currency and bonds to add to our Brazil positions. The Fund maintained unhedged exposure to the Mexican peso, and South African rand, as well as independent currency positions in the Indian rupee and Colombian peso during the reporting period. We closed the position in the Colombian dollar during the third quarter of 2016 as the peace agreement between the government and FARC rebels (the revolutionary armed forces of Colombia) stalled; instead, we initiated unhedged exposure to the Argentine peso. The Fund started off the period by partially hedging New Zealand dollar exposure, and gradually transitioned into a short currency position. We believe the New Zealand economy needs to reflate, the currency needs to weaken, and the government needs to address the country’s growing real estate bubble.

Finally, we opportunistically repurchased shares of the Fund in the open market during

## Fund overview (cont d)

times of heightened volatility during the reporting period. We purchased 86,958 of the Fund's shares for roughly \$1.2 million, which we felt offered an attractive discount to net asset value (NAV<sup>i</sup>.)

### Performance review

For the twelve months ended October 31, 2016, Legg Mason BW Global Income Opportunities Fund Inc. returned 9.18% based on its NAV and 14.53% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Bloomberg Barclays Global Aggregate Index<sup>xii</sup>, returned 5.59% for the same period. The Lipper Global Income Closed-End Funds Category Average<sup>xiii</sup> returned 8.61% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling \$1.30 per share, of which \$0.53 will be treated as a return of capital for tax purposes.\* The performance table shows the Fund's twelve-month total return based on its NAV and market price as of October 31, 2016. **Past performance is no guarantee of future results.**

### Performance Snapshot as of October 31, 2016

Price Per Share	12-Month
\$15.04 (NAV)	Total Return**
\$12.94 (Market Price)	9.18%
	14.53%

**All figures represent past performance and are not a guarantee of future results.**

**\*\* Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

**Total return assumes the reinvestment of all distributions, including returns of capital, at NAV.**

**Total return assumes the reinvestment of all distributions, including returns of capital, in additional shares in accordance with the Fund's Dividend Reinvestment Plan.**

### Q. What were the leading contributors to performance?

**A.** Currency decisions contributed to relative performance during the reporting period. The Fund benefited from local-currency sovereign bonds. Unhedged exposure to the Brazilian, Indonesian, and Hungarian government bonds were the greatest contributors to relative performance. The Fund's U.S. corporate bond positions also contributed to performance.

Certain derivative exposures within the Fund contributed to absolute performance during the period under review. Realized gains on forward Japanese yen and Brazilian real contracts, and futures positions in short-dated U.S. Treasuries and intermediate-term Australian government bonds provided a significant benefit to performance, as did allocations to U.S. and European mortgage-backed securities and credit default swaps.

### Q. What were the leading detractors from performance?

**A.** The income-generating portion of the Fund's exposure to equities detracted from performance for the reporting period. Equity and credit markets were extremely volatile toward the end of 2015 and during the first

\* For the tax character of distributions paid during the fiscal year ended October 31, 2016, please refer to page 40 of this report.



couple of months of 2016. Therefore, futures positions in U.S. and European equity markets were the largest detractors from performance. The stocks for two U.S.-based companies were significant detractors from performance. One company was affected by the sharp decline in crude oil prices throughout 2015, while the other cut its forward guidance at the end of this reporting period after restructuring its sales force. While many U.S. equity indices managed to retrace their early losses, most European indices produced negative returns during the reporting period. We initiated the European equity position as a way to capture the favorable economic backdrop created by the ECB's monetary policy. We expected the ECB's policies would translate into equity appreciation across the eurozone. The Fund also closed its position in Italian BTPs, the country's sovereign bonds. We took the rise in non-performing loans and the general deterioration within the Italian banking industry into consideration when deciding whether to exit the position. Unhedged exposure to sterling-denominated assets also detracted from performance, though we remain constructive on the U.K. and its currency; we added to the position following the June 2016 referendum. Incidentally, British equities were one of the few European stocks to rally during this timeframe; we think the weakened sterling will help improve the bottom line for British companies with global exposure.

Currency exposure also detracted from performance. Long exposure to the Mexican peso was also a detractor to relative performance. We also saw signs of improving economic conditions in Mexico, such as the liberalization of its state-controlled oil industry, stabilizing crude oil prices, and the correlation with U.S. economic growth. Despite these positive factors, the Mexican economy's failure to launch remained an outlier to our emerging market growth thesis. Unhedged exposure to the Mexican peso was a significant detractor from performance. We believe the peso's weakness can be attributed to short selling and its use by investors to hedge Latin American exposures. The rise in protectionism, the future of multilateral trade agreements, and a general slowdown in global trade have also had deleterious effects on the peso. Although we remain constructive on the Swedish krona, Indian rupee, and South African rand, these positions underperformed for the reporting period. We believe these currency valuations do not reflect their respective country's fundamentals or central bank policies. A short position in the Canadian dollar was meant to serve as protection against a slowdown in emerging market growth; however, the position detracted for the period.

#### Looking for additional information?

The Fund is traded under the symbol **BWG** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol **XBWGX** on most financial websites. *Barron's* and the *Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as [www.lmcef.com](http://www.lmcef.com) (click on the name of the Fund).

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

## Fund overview (cont d)

Thank you for your investment in Legg Mason BW Global Income Opportunities Fund Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

David F. Hoffman, CFA

Portfolio Manager

Brandywine Global Investment Management, LLC

Stephen S. Smith

Portfolio Manager

Brandywine Global Investment Management, LLC

December 1, 2016

***RISKS:** The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund's common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund's share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund.*

*Fixed income securities are subject to various risks, including but not limited to, credit, inflation, income, prepayment and interest rate risks. As interest rates increase, the value of fixed income securities decrease. High yield securities (also known as "junk bonds") are subject to greater liquidity and credit risks (risk of default) than higher-rated securities. International investments involve certain risks not associated with domestic investing, such as currency fluctuations, and changes in political, social and economic conditions which could increase volatility. These risks are magnified in emerging or developing markets. Mortgage-backed securities are subject to additional risks, including prepayment risk, which can limit the potential gains in a declining interest rate environment. The Fund may invest in foreign currencies or currency derivatives which may increase the risk and volatility of the Fund. The Fund may invest in illiquid securities and securities/investments that have a leveraging effect on the portfolio which will increase the risks of the Fund. The Fund's use of leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. The use by the Fund of derivatives such as options, forwards or futures contracts for investment and/or risk management purposes may subject the Fund to risks associated with short economic exposure through such derivatives. Taking a short economic position through derivatives exposes the Fund to the risk that it will be obligated to make payments to its counterparty if the underlying asset appreciates in value, thus resulting in a loss to the Fund. The Fund's loss on a short position using derivatives theoretically could be unlimited.*

Portfolio holdings and breakdowns are as of October 31, 2016 and are subject to change and may not be representative of the portfolio managers current or future investments. Please



refer to pages 9 through 16 for a list and percentage breakdown of the Fund's holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of October 31, 2016 were: Sovereign Bonds (69.9%), Financials (17.7%), Collateralized Mortgage Obligations (14.4%), Information Technology (6.2%) and Energy (6.1%). The Fund's portfolio composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

<sup>i</sup> The Federal Reserve Board (the Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

<sup>ii</sup> The European Central Bank (ECB) is responsible for the monetary system of the European Union and the euro currency.

<sup>iii</sup> The People's Bank of China (PBoC) is the central bank of the People's Republic of China with the power to carry out monetary policy and regulate financial institutions in mainland China.

<sup>iv</sup> The Group of Twenty (G-20) Finance Ministers and Central Bank Governors was established in 1999 to bring together systemically important industrialized and developing economies to discuss key issues in the global economy.

<sup>v</sup> The Bank of England (BoE), formally the Governor and Company of the BoE, is the central bank of the United Kingdom. The BoE's purpose is to maintain monetary and financial stability.

<sup>vi</sup> The Bank of Japan is the central bank of Japan. The bank is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system and the yen currency.

<sup>vii</sup> The majors refers to a basket of currencies, including the euro, yen, Swiss franc, and sterling.

<sup>viii</sup> The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

<sup>ix</sup> Beta measures the sensitivity of the investment to the movements of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

<sup>x</sup> Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

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- <sup>xi</sup> Net asset value ( NAV ) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- <sup>xii</sup> The Bloomberg Barclays Global Aggregate Index is an index comprised of several other Bloomberg Barclays indices that measure fixed-income performance of regions around the world.
- <sup>xiii</sup> Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended October 31, 2016, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 13 funds in the Fund's Lipper category.

## Fund at a glance (unaudited)

### Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of October 31, 2016 and October 31, 2015 and does not include derivatives, such as futures contracts and forward foreign currency contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

Effective August 31, 2016, the Financials sector was redefined to exclude real estate and a Real Estate sector was created.

## Schedule of investments

October 31, 2016

### Legg Mason BW Global Income Opportunities Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<b>Sovereign Bonds 69.9%</b>				
<i>Argentina 4.1%</i>				
Republic of Argentina, Bonds	18.200%	10/3/21	21,850,000 <sup>ARS</sup>	\$ 1,544,389
Republic of Argentina, Senior Notes	6.875%	4/22/21	5,450,000	5,910,525 <sup>(a)</sup>
Republic of Argentina, Senior Notes	7.500%	4/22/26	5,040,000	5,518,800 <sup>(a)</sup>
<i>Total Argentina</i>				<i>12,973,714</i>
<i>Brazil 22.4%</i>				
Federative Republic of Brazil, Notes	10.000%	1/1/21	55,485,000 <sup>BRL</sup>	16,748,543 <sup>(b)</sup>
Federative Republic of Brazil, Notes	10.000%	1/1/23	88,000,000 <sup>BRL</sup>	26,093,434 <sup>(b)</sup>
Federative Republic of Brazil, Notes	10.000%	1/1/27	49,830,000 <sup>BRL</sup>	14,400,839
Federative Republic of Brazil, Senior Notes	10.000%	1/1/17	43,100,000 <sup>BRL</sup>	13,453,870 <sup>(b)</sup>
<i>Total Brazil</i>				<i>70,696,686</i>
<i>Colombia 7.1%</i>				
Republic of Colombia, Senior Bonds	5.000%	6/15/45	21,855,000	22,292,100 <sup>(b)</sup>
<i>Indonesia 18.7%</i>				
Republic of Indonesia, Senior Bonds	8.375%	3/15/24	65,100,000,000 <sup>IDR</sup>	5,313,573
Republic of Indonesia, Senior Bonds	8.375%	9/15/26	60,000,000,000 <sup>IDR</sup>	4,908,564
Republic of Indonesia, Senior Bonds	9.000%	3/15/29	410,400,000,000 <sup>IDR</sup>	34,960,116
Republic of Indonesia, Senior Bonds	8.375%	3/15/34	69,800,000,000 <sup>IDR</sup>	5,619,627
Republic of Indonesia, Senior Bonds	8.750%	2/15/44	96,900,000,000 <sup>IDR</sup>	8,282,158
<i>Total Indonesia</i>				<i>59,084,038</i>
<i>Mexico 11.3%</i>				
United Mexican States, Senior Bonds	8.500%	11/18/38	96,600,000 <sup>MXN</sup>	6,131,368 <sup>(b)</sup>
United Mexican States, Senior Bonds	7.750%	11/13/42	500,100,000 <sup>MXN</sup>	29,695,743 <sup>(b)</sup>
<i>Total Mexico</i>				<i>35,827,111</i>
<i>South Africa 6.3%</i>				
Republic of South Africa, Bonds	6.500%	2/28/41	369,330,000 <sup>ZAR</sup>	19,904,857
<b>Total Sovereign Bonds (Cost \$261,130,072)</b>				<b>220,778,506</b>
<b>Collateralized Mortgage Obligations 14.4%</b>				
Bank of America Merrill Lynch Large Loan Inc., 2016-FR15 A	5.314%	10/26/47	3,945,285	3,924,364 <sup>(c)</sup>
FREMF Mortgage Trust, 2012-K22 B	3.686%	8/25/45	3,425,000	3,621,248 <sup>(c)</sup>
FREMF Mortgage Trust, 2012-K706 C	4.029%	11/25/44	1,835,000	1,879,623 <sup>(c)</sup>
FREMF Mortgage Trust, 2015-K44 B	3.685%	1/25/48	4,400,000	4,365,596 <sup>(c)</sup>
FREMF Mortgage Trust, 2015-K720 B	3.389%	7/25/22	1,475,000	1,453,605 <sup>(c)</sup>
FREMF Mortgage Trust, 2015-K721 C	3.565%	11/25/47	1,000,000	888,471 <sup>(c)</sup>
FREMF Mortgage Trust, 2016-K56 C	3.935%	6/25/49	2,500,000	2,111,681 <sup>(c)</sup>
GCCFC Commercial Mortgage Trust, 2007-GG9 AJ	5.505%	3/10/39	8,135,000	7,714,983 <sup>(c)</sup>
Hipocat 8 FTA, HIPO-8 D	0.158%	3/15/38	2,834,943 <sup>EUR</sup>	1,358,115 <sup>(c)(d)</sup>

See Notes to Financial Statements.

## Schedule of investments (cont d)

October 31, 2016

## Legg Mason BW Global Income Opportunities Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<b>Collateralized Mortgage Obligations continued</b>				
JPMorgan Chase Commercial Mortgage Securities Trust, 2007-LD12 AM	6.040%	2/15/51	1,760,000	\$ 1,812,415 (c)
LSTAR Securities Investment Trust, 2015-7 A	2.527%	7/1/20	1,697,289	1,684,560 (c)
Magellan Mortgages PLC, 2004 A	0.031%	7/20/59	1,174,244 EUR	1,107,921 (c)(d)
RMAC Securities PLC, 2006-NS1X B1C	0.576%	6/12/44	279,793 EUR	254,612 (c)(d)
RMAC Securities PLC, 2006-NS4X B1C	0.546%	6/12/44	1,521,439 EUR	1,337,793 (c)(d)
Rural Hipotecario Fondo De Titulizacion Hipotec, 2009 A2	0.057%	2/17/50	1,354,647 EUR	1,468,015 (c)(d)
Structured Agency Credit Risk Debt Notes, 2015-DN1 M3	4.684%	1/25/25	4,000,000	4,180,825 (c)
TDA Fondo de Titulizacion de Activos, 2024-A1	0.093%	6/22/40	1,150,908 EUR	1,203,659 (c)(d)
Wells Fargo Commercial Mortgage Trust, 2016-NXS6 XA, IO	1.808%	11/15/49	18,004,717	2,011,685 (c)
WF-RBS Commercial Mortgage Trust, 2012-C6 XA, IO	2.213%	4/15/45	35,266,758	2,976,733 (c)
<b>Total Collateralized Mortgage Obligations (Cost \$46,436,455)</b>				<b>45,355,904</b>
<b>Corporate Bonds &amp; Notes 51.2%</b>				
<b>Consumer Discretionary 3.4%</b>				
<i>Auto Components 0.2%</i>				
Adient Global Holdings Ltd., Senior Notes	3.500%	8/15/24	385,000 EUR	420,745 (a)
<i>Automobiles 0.3%</i>				
Fiat Chrysler Automobiles NV, Senior Notes	5.250%	4/15/23	1,000,000	1,023,750 (b)
<i>Diversified Consumer Services 0.3%</i>				
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Notes	7.875%	6/1/21	870,000	854,775
<i>Hotels, Restaurants &amp; Leisure 0.4%</i>				
International Game Technology PLC, Senior Secured Notes	6.500%	2/15/25	1,200,000	1,304,760 (a)
<i>Media 2.2%</i>				
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	1,030,000	1,040,300 (b)
CSC Holdings LLC, Senior Bonds	5.250%	6/1/24	1,130,000	1,059,375 (b)
DISH DBS Corp., Senior Notes	5.000%	3/15/23	1,665,000	1,644,187 (b)
SFR Group SA, Senior Secured Bonds	6.000%	5/15/22	200,000	205,814 (a)(b)
SFR Group SA, Senior Secured Bonds	6.250%	5/15/24	400,000	401,248 (a)(b)
Sirius XM Radio Inc., Senior Notes	6.000%	7/15/24	1,100,000	1,170,125 (a)
Virgin Media Secured Finance PLC, Senior Secured Notes	5.500%	1/15/25	1,174,500 GBP	1,468,497 (a)(b)
<i>Total Media</i>				