

May 23, 2016 – Legg Mason Funds

Legg Mason Product Updates

As part of our ongoing commitment to keep you informed about our product line-up, included below are updates to existing products offered by Legg Mason.

UPDATE: Combination of The Permal Group and EnTrust Capital - Shareholder Approval of New Subadvisory and Management Agreements

Permal Alternative Core Fund Permal Alternative Select Fund

As communicated on May 2, 2016, the combination of the businesses of The Permal Group, of which Permal Asset Management LLC (“Permal”), the above noted funds’ prior subadvisor or manager, was a member and EnTrust Capital (“EnTrust”) became effective and a new holding company, EnTrustPermal LLC, was formed for the combined businesses. As a result, the name of Permal changed to EnTrustPermal Management LLC (“EnTrustPermal”).

On May 20, 2016, at a joint special meeting of shareholders:

-shareholders of Permal Alternative Core Fund approved a new subadvisory agreement between Legg Mason Partners Fund Advisor, LLC (“LMPFA”), the fund’s manager, and EnTrustPermal; and

-shareholders of Permal Alternative Select Fund, approved a new management agreement between the fund’s trust, on behalf of the fund, and EnTrustPermal.

The new subadvisory and management agreements supersede the interim subadvisory and management agreements that went into effect on May 2, 2016, when the combination of Permal and EnTrust became effective. The combination triggered the automatic termination provisions in the funds’ prior subadvisory and management agreements, and the interim agreements allowed EnTrustPermal to serve as the subadvisor or manager to the funds until shareholders approved the new agreements. New subadvisory and trading agreements between EnTrustPermal and the subadvisors and trading advisor for Permal Alternative Select Fund also became effective on May 20, 2016 and supersede the interim agreements that went into effect with respect to the fund on May 2, 2016. The interim agreements allowed the subadvisors and trading advisor to serve the fund until shareholders approved the new management agreement.

Renaming of Legg Mason Funds Managed by EnTrustPermal

Effective July 22, 2016 the Funds will be rebranded “EnTrustPermal”.

Only the names of the funds will change - CUSIPs and NASDAQ symbols will remain the same.

See Excel spreadsheet (attached) for impacted funds/share classes.

Remaining timeline:

- May 20, 2016: New agreements effective
- July 22, 2016: Fund name changes

Shareholder communication:

This information is reflected in prospectus supplements (attached) dated May 23, 2016 which will be mailed to shareholders.

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**Update: Reorganization of Closed-End Fund - LMP Real Estate Income Fund Inc. (RIT)
Shareholder Approval
Effective June 10, 2016**

On May 18, 2016 shareholders approved conversion of LMP Real Estate Income Fund Inc. (NYSE: RIT) from a closed-end fund to an open-end fund, ClearBridge Real Estate Opportunities Fund Class O Share (CREOX), effective close of business June 10, 2016.

The attached LENS notification was sent to DTCC on May 18, 2016 and is now being displayed for DTCC dealers that subscribe to the LENS application.

Remaining timeline for reorganization:

- RIT will trade on the NYSE through the market close on June 6, 2016
- Close of business June 6, 2016 to June 10, 2016: after RIT ceases trading, investors will not be able to transact until after the reorganization closes on June 10, 2016
- June 8, 2016: All certificates issued in the name of LMP Real Estate Income Fund (RIT) to be returned
- Close of business June 10, 2016: Closing date of the reorganization
- June 13, 2016: Trading begins for ClearBridge Real Estate Opportunities Fund Class O (CREOX)

See excel spreadsheet (attached) for impacted fund/share class.

Shareholder communication:

Welcome Letter and Certificate Recall Letter (attached) will be mailed to existing shareholders.

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All investments involve risk, including the loss of principal.

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BEFORE INVESTING, CAREFULLY CONSIDER A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN EACH PROSPECTUS, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT WWW.LEGGMASON.COM/INDIVIDUALINVESTORS. PLEASE READ THE PROSPECTUS CAREFULLY.