

April 19, 2018 – Legg Mason Funds

**Important Notice and Request for Client Contact Assistance Regarding Small Account Balances/Upcoming Mandatory Redemptions for Legg Mason Funds (Includes Legg Mason, BrandywineGLOBAL, ClearBridge, Martin Currie, EnTrustPermal, QS, RARE and Western Asset Funds) - 2018**

Dear Valued Distribution Partner:

Legg Mason periodically reviews shareholder fund positions to ensure a minimum value is maintained in each shareholder account. Funds in the Legg Mason complex are permitted to close shareholder account positions that do not meet the minimum requirements as outlined in the funds' prospectuses (see attached lists of Funds/CUSIPS to be excluded from and Funds/CUSIPS to be included in this process). Legg Mason believes that it is generally in the funds' and shareholders' best interests to close such fund positions because they may be expensive to maintain and the cost would be borne by all shareholders. Clients are required to be notified in writing of mandatory redemptions and will be given 90 days to make an additional investment to bring fund accounts up to the required level; Legg Mason will require your assistance in contacting your clients during this process (sample shareholder letter is attached).

**Legg Mason has determined that for clients with positions under \$500 (\$250 for IRA) as of record date April 23, 2018, after a 90 day notification, clients who do not qualify for exclusions and who have not made additional investments to bring their fund (settled) position values up to such levels or set up an Automatic Investment Plan by August 17, 2018, must be redeemed in full on August 20, 2018.** Any contingent deferred sales charges will be waived as a result of this liquidation. Positions liquidated will not be eligible to have accounts reinstated without imposition of any sales charges that may apply to a new purchase.

**Level 3 Positions** *(Please refer to the attached timeline)*

- By April 27, 2018, Legg Mason will provide you with a report of any Level 3 clients as of record date April 23, 2018, with positions under \$500.
- We are requesting your firm to identify accounts on the report that are self-directed IRA accounts with a balance of \$250 or more for exclusion.
- Please plan to contact your clients on the small account balance list who do not qualify for an exclusion, at least 90 days prior to August 17, 2018, to inform them that balances must be brought up to the required level or an Automatic Investment Plan must be established by August 17, 2018 to avoid redemptions of the small account positions indicated (settled).
- We are requesting that you maintain the list of the remaining accounts that do not fall under an exclusion.
- If you are not able to recheck the balances of the remaining accounts on August 17, 2018, please send the list to Legg Mason, we will add the current balance and return the list to you so that you can process the liquidations of eligible accounts.
- Dealers must liquidate positions on August 20, 2018 of any clients who were on the record date list whose positions are still under the minimums who have not been identified as qualifying for exclusion. Any CDSC associated with these liquidations should be waived.

**Omnibus Positions** *(Please refer to the attached timeline)*

- Firms with omnibus positions will need to identify, as of record date April 23, 2018, accounts within those omnibus positions whose balances are under \$500 (\$250 for IRA).
- Please plan to contact clients within your omnibus accounts as of record date April 23, 2018 who do not qualify for an exclusion at least 90 days prior to August 17, 2018 to inform them that in order to avoid redemptions of the small account positions indicated (settled) balances must be brought up to the required level or an Automatic Investment Plan must be set up by August 17, 2018.
- On August 20, 2018, dealers must liquidate positions of any clients who were on the record date list whose positions are still under the minimums who have not been identified as qualifying for exclusion. Any CDSC associated with these liquidations should be waived.

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**Exclusions**

**Accounts to be excluded:**

- Qualified retirement plans (ex. 401K, 403B, PSP, MPP etc. – self-directed IRAs **are not** excluded)
- Accounts with an active systematic investment plan
- Accounts with an active systematic withdrawal plan
- Accounts coded with return mail
- Fee based accounts
- Accounts with positions in both Classes C and C1 of the same fund when combined are over \$500 (\$250 for IRA)

**Funds to be excluded: (See attached list of Funds/CUSIPS to be excluded)**

- Variable Annuity Funds
- SMASh Funds
- Funds closed to subsequent purchases
- Fund classes D, I, FI, IS and R
- Institutional Money Market Funds
- Cayman Money Market Funds

If you have questions or need additional information, please contact your Legg Mason Account Manager.

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**Sample Shareholder Letter to be Sent by Dealer for Positions in Omnibus and Level 3 Accounts**

(DEALER LETTERHEAD)

DATE - to be received by shareholder by May 18, 2018)

Registration  
Account Number  
Fund Name and Position as of Record Date April 23, 2018  
Market Value as of Record Date April 23, 2018

Dear Legg Mason Funds (includes Legg Mason, BrandywineGLOBAL, ClearBridge, Martin Currie, EnTrustPermal, QS, RARE and Western Asset Funds) Shareholder:

Legg Mason periodically reviews shareholder account positions to ensure a minimum value of \$500 per fund position (\$250 for IRA) is maintained in each shareholder account or that an Automatic Investment Plan is established. The Legg Mason Funds are permitted to close shareholder fund positions that do not meet the minimum requirements as outlined in fund prospectuses. Legg Mason believes that it is in the Fund and shareholders' best interests to close such fund positions because they are expensive to maintain and the cost is borne by all shareholders.

Since the value of the Legg Mason Fund you hold does not meet the minimum requirement of the Fund, your account will be redeemed unless you establish an Automatic Investment Plan or make an additional investment to bring your fund position value to \$500 or more (\$250 for IRA). Only the Legg Mason Fund position that does not meet the Fund's minimum balance requirement is listed above. If you do not choose to comply with the Fund's minimum investment requirement of \$500 (\$250 for IRA) by (settlement on) August 17, 2018, your Legg Mason Fund position listed above will be redeemed in full on August 20, 2018, and the proceeds will be returned to you.

If you wish to establish an Automatic Investment Plan, please \_\_\_\_\_.  
If you wish to make an additional investment to bring your fund value to \$500 or more (\$250 for IRA), please \_\_\_\_\_.  
Your Automatic Investment Plan form or your investment check must be received by \_\_\_\_\_ to avoid the fund account from being redeemed. If you have questions or need additional information, please call \_\_\_\_\_.

Thank you for doing business with us. We welcome the opportunity to provide you with quality service as you pursue your investment goals.

Sincerely,

(DEALER)

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**TIMELINE**

	<b>Omnibus Positions</b>	<b>Level 3 Positions</b>
Record date (shareholders of this date who do not meet exclusions and have not come up to appropriate minimums settled by August 17 will be liquidated)/Dealers capture positions under minimums for underlying omnibus positions	April 23	April 23
Legg Mason to supply Level 3 positions under minimums as of record date April 23	NA	April 27
90 days client notice/ mailing initiated by dealers to accounts not eligible for exclusions and under minimums for Level 3 and omnibus accounts	clients to receive by May 18	clients to receive by May 18
Client positions not eligible for exclusions must be brought up to appropriate minimums and settled by or set up automatic investment plans	August 17	August 17
If dealers are not able to determine the current account balances of accounts not eligible for exclusion, please return the list to Legg Mason where the balance will be added to your report and the report returned to you today. Liquidation of accounts not eligible for exclusions and under minimums must be processed today (dealers initiate)	August 20	August 20
Dealers notify Legg Mason at <b>Dealerservices@leggmason.com</b> total number of accounts liquidated and total value of liquidated accounts	August 24	August 24

**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, AT [WWW.LEGGMASON.COM/INDIVIDUALINVESTORS/PROSPECTUSES](http://WWW.LEGGMASON.COM/INDIVIDUALINVESTORS/PROSPECTUSES). PLEASE READ THE PROSPECTUS CAREFULLY.**

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